

Tax Incentives for Businesses

Lower Your Labor Costs

Employers that do business in New York State can trim their labor costs through several workforce and economic development programs. Employment-based tax credits may save your business money by cutting federal or state tax liability.

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) offers employers up to \$2,400 in federal tax savings for hiring individuals with barriers to employment. Qualified individuals must complete at least 120 hours of work to qualify for the partial WOTC credit of \$1,500, and over 400 hours for the full \$2,400 credit. To qualify businesses for the credit, individuals must be verified as members of a targeted group. The groups include:

- People who receive Temporary Assistance for Needy Families (TANF)
- Veterans who:
 - receive Supplemental Nutrition Assistance Program (SNAP) benefits or
 - have a service-related disability
 - have been unemployed for at least 4 weeks in the previous calendar year
- Ex-felons
- People (age 18-39) who live in a federal empowerment zone or rural county
- Disabled persons receiving rehabilitation services

- Youth (age 16-17) who live in a federal empowerment zone (summer employment only)
- People (age 18-39) who receive Supplemental Nutrition Assistance Program (SNAP) benefits
- People who receive Supplemental Security Income (SSI)
- People who receive Long-Term Family Assistance
- Long Term Unemployment Recipients (LTUR)

Workers Employment Tax Credit (WETC)

Businesses that employ people with disabilities who currently receive vocational rehabilitation services (or people who received them up to two years prior to hire) may earn \$2,100 more in state tax credits. You get the credit during the second year of employment and can combine it with the WOTC credit.

Workers with Disabilities Tax Credit (WDTC)

For-profit businesses and organizations that hire individuals with developmental disabilities may earn up to \$5,000 for full-time employment (30 hours or more per week), and up to \$2,500 for part-time employment (between 8 hours and 30 hours per week). The period of employment must be no less than six months. If the amount of the credit exceeds the entity's tax liability, then the tax credit may be carried over for the following three years. Note: Businesses cannot claim this tax credit for an individual they hire if they are already claiming another tax credit for that individual.



Urban Youth Jobs Program

The Urban Youth Jobs Program encourages the hire of unemployed, disadvantaged youth, ages 16 to 24, who live in one of 13 designated target areas in New York State. Businesses may earn tax credits of up to \$5,000 for hiring youth full-time, and up to \$2,500 for hiring youth part-time. To qualify, both businesses and youth must be certified by the New York State Department of Labor. Businesses may be eligible for certification if they are in good legal standing, are located within reasonable commuting distance of one or more of the target areas and have available job openings. Youth may be eligible for certification if they are 16 to 24 years of age, live within one of the target areas and meet one of the designated risk factors.

Hire-a-Vet Credit

The Hire-a-Vet Credit encourages the hire of qualified veterans. Businesses must employ a qualified veteran for no less than 35 hours per week for one full year. A qualified veteran is someone who served on active duty in the US Army, Navy, Air Force, Marine Corps, Coast Guard, Reserves, National Guard, New York Guard or New York Naval Militia, and was released from active duty by general or honorable discharge after September 11, 2001. Qualified veterans must attest that they were not employed for 35 or more hours in the previous 180 days. Businesses may earn up to \$5,000 for hiring a qualified veteran and up to \$15,000 for hiring one who is disabled.

Minimum Wage Reimbursement Credit

The Minimum Wage Reimbursement Credit helps businesses adjust to the rise in the minimum wage rate of pay. Businesses may earn a credit of \$1.35 per hour for all hours worked by an eligible employee. An eligible employee is a student who is 16 to 19 years of age at the time of employment at the minimum wage rate.

Work For Success

The Work for Success Program helps businesses earn up to \$2,400 in federal tax credits (WOTC) for each formerly incarcerated person they hire. This helps to reduce recidivism, promote economic development and improve public safety throughout New York State. Work for Success sends businesses only the most qualified and appropriately trained applicants for open jobs.

How to Apply for Credits

Call the New York State Labor Department at 1-888-4-NYSDOL or go to our website at www.labor.ny.gov.