

August 2014

Tax Intelligence – State Targeted Hiring Tax Credits

Situation

State targeted hiring programs provide tax credits for businesses who hire individuals falling into various categories such as disabled, unemployed, economically disadvantaged, and veterans. Most states allow any business, regardless of industry, to take advantage of these programs. Accessing and qualifying for these programs can vary from state to state.

Solution

To benefit from state hiring tax credit programs, businesses must observe each state's unique requirements for qualification.

- **WOTC “Piggy-Back” Credits:** Several states have programs that mirror the federal WOTC program. As the federal Work Opportunity Tax Credit (WOTC) and state programs often target the same categories, some state programs will accept the federal WOTC form as sufficient to allow the state benefit. An example of a WOTC “Piggy-Back” Credit is the North Carolina WOTC Credit. North Carolina allows businesses an income tax credit for North Carolina employees who qualify for federal WOTC.
- **Screening Credits:** Most state hiring tax credit programs have very specific requirements. In order to pursue these programs and eventually receive a tax credit, businesses must have a screening system in place to correctly identify whether an employee qualifies. For example, the state of Illinois provides a credit for hiring an honorably discharged veteran. The company must identify that a new hire was a veteran, and also secure discharge paperwork to verify the veteran's status.

Value

Equifax Workforce Solutions provides screening services for new hires to determine if they may potentially qualify for state targeted hiring tax credits. Equifax Workforce Solutions also manages the additional paperwork that may be required to qualify. If your company is interested in receiving more information on these credits or any other credits, please contact your Account Manager (AM) or Pete Krieshok of Equifax Workforce Solutions at 314-214-7325 or by email at pete.krieshok@equifax.com.