State Tax Credits
(Please contact the Department of Revenue for more information)
(225) 219-7318

130 - First Time Drug Offenders – R.S. 47:297(K) provides a credit for a taxpayer who provides full-time employment to an individual who has been convicted of a first time drug offense, and who is less than 25 years of age at the time of initial employment.

140 - Nonviolent Offenders – R.S. 47:297(O) provides a credit for a taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense. Please contact the Department of Revenue for information regarding this credit.

208 - Previously Unemployed – R.S. 47:6004 provides that business proprietors are possibly eligible for a credit for hiring the previously unemployed. Please contact the Department of Revenue for information regarding this credit.

212 - Basic Skills Training – R.S. 47:6009 provides a credit for employers who pay for training to bring employees’ reading, writing, or mathematical skills to at least the 12th grade level. The credit is limited to $250 per participating employee, not to exceed $30,000 for the tax year.

224 - New Jobs Credit – R.S. 47:34 and R.S. 47:287.749 provide a credit to employers who establish or expand a business in the state. A schedule that includes the calculation of the credit must be attached to the return and must also include the following information: (1) name, address, and Social Security Number of each new employee; (2) highest number of full-time and qualified part-time employees during the previous year; (3) highest number of full-time and part-time employees during the current year; (4) number of new employees hired for new jobs created during this taxable year; and (5) amount of credit carried forward from the previous year. Please contact the Department of Revenue for information regarding this credit.

228 - Eligible Re-entrants – R.S. 47:287.748 provides a credit to a taxpayer who employs an eligible re-entrant in Louisiana. An eligible re-entrant is defined as one who has been convicted of a felony and who has successfully completed the Intensive Incarceration Program, as provided in R.S. 15:574.4. Please contact the Department of Revenue for information regarding this credit.

236 - Apprenticeship – R.S. 47:6033 provides a credit to employers equal to one (1) dollar for each hour of employment or an eligible apprentice, limited to 1,000 hours for each eligible apprentice. An eligible apprentice is a person who has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program or who is enrolled in a training program accredited by the National Center for Construction Education and Research. For more information regarding this credit, please contact the Louisiana Workforce Commission Apprenticeship Unit.
Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is one tool in a diverse toolbox of flexible strategies designed to help move people into gainful employment and obtain on-the-job experience. It joins other tax credits, education, and workforce training and development programs that help American workers with barriers to employment prepare for good jobs; ease their transition from job to job; benefit from the creation of effective regional economic development strategies; and create high performance workplaces. All new adult employees must work a minimum of 120 or 400 hours; Summer Youth must work at least 90 days, between May 1 and September 15 before the employer is eligible to claim the tax credit. The ETA form 9061 and the IRS form 8850 with original signatures must be completed and mailed with a postmark date no later than 28 days after the start date, to the Louisiana Workforce Commission - WOTC Unit, P. O. Box 94094 Baton Rouge, LA, 70804. The new employee must belong to one of the nine target groups listed below:

A. IV-A (TANF) Recipient - A member of a family that is receiving or recently received Temporary Assistance to Needy Families (TANF), or benefits under a successor program for any 9 months during the 18-month period ending on the hire date. The Louisiana Workforce Commission WOTC Unit is currently able to verify this information.

B. Veteran - A veteran who is a member of a family that is receiving or recently received Food Stamps for at least a 3-month period during the past 15 months; and for individuals who begin to work for an employer after May 25, 2007, the veteran group is expanded to include "disabled veterans" who are entitled to compensation for a service-connected disability and who, during the one-year ending on the hiring date, were: a) discharged or released from active duty in the U.S Armed Forces, or b) unemployed for a period or periods totaling at least 6 months. The first-year wages taken into account for these "disabled veterans" are capped at $12,000. A copy of the applicant's DD-214 or Official Discharge Papers that contain the dates and proof of military service and a service connected disability (if applicable) is required to certify the applicant for this target group.

C. Ex-Felon - An ex-felon is an individual who has been convicted of a felony under any statute of the United States or any state; and has a hire date which is not more than one (1) year after the last date on which the applicant was so convicted or was released from prison or is a convicted felon who is participating in a pre-release program. The Louisiana Workforce Commission can access information for individuals who have been sentenced to a prison term as a result of a felony conviction by a parish judge in Louisiana. If the conviction was committed in a state other than Louisiana, documentation of that conviction, including the date of conviction/release must be submitted with the application.

D. Empowerment Zone/Enterprise Community/Renewal Communities (EZ/EC/RC) - An 18-39 year old resident of one of the federally designated Empowerment Zone (EZ), Enterprise Communities (EC) or Renewal Communities (RC) or Rural Renewal Empowerment Zone. To check the address status, log on to: http://hud.esri.com/legis/cpd/rcezec/ezec_open.htm. Rural Renewal Parishes can be found on-line by visiting the following Web site at: www.usps.gov and following these simple steps: 1. click on Find a ZIP Code; 2. enter and submit the Address and ZIP Code; and 3. click on Mailing Industry Information. The designated Rural Renewal Community Parishes in Louisiana are: Bienville, Claiborne, Franklin, Jackson, Morehouse, St. Mary, Tensas, Vernon, and Webster.

The following documentation should be included with the certification request: a. Proof of Age (a copy of the
employee's driver's license or birth certificate b. Proof of Address (a copy of the IRS W-4, utility bill or similar mailing, showing an address in an Empowerment Zone, Enterprise Community, Renewal Community or Rural Renewal Community). The address on the IRS 8850 and the proof of address documentation must match.

E. Vocational Rehabilitation Referral - Applicant has a physical or mental disability which results in a substantial handicap to employment; and was referred to the employer upon completion of, or while receiving, rehabilitative services pursuant to an individualized written plan of employment (IWPE) under a state plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973 (as amended, 1998), a vocational rehabilitation program for veterans or an employment network under the Ticket to Work program. Proof of participation in any of these programs is required.

F. Summer Youth- A 16-17 year old EZ, EC or RC resident hired between May 1st and September 15th as a Summer Youth employee. The following documentation should be included with the certification request:
a. Proof of Age (a copy of the employee's driver's license or birth certificate b. Proof of Address (a copy of the IRS W-4, utility bill or similar mailing, showing an address in an Empowerment Zone, Enterprise Community, Renewal Community or Rural Renewal Community). The address on the IRS 8850 and the proof of address documentation must match.

To check the address status, log on to: http://hud.esri.com/egis/cpd/rcezec/ezec_open.htm. Rural Renewal Parishes can be found on-line by visiting the following Web site at: www.usps.gov and following these simple steps: 1. click on Find a ZIP Code; 2. enter and submit the Address and ZIP Code; and 3. click on Mailing Industry Information. The designated Rural Renewal Community Parishes in Louisiana are: Bienville, Claiborne, Franklin, Jackson, Morehouse, St. Mary, Tensas, Vernon, and Webster.

G. Supplemental Nutritional Assistance Program Recipient- A member of a family that is receiving or recently received SNAP benefits (Food Stamps), and is at least 18, but not yet 40 years old, on the hire date. Individual is a member of a family receiving assistance under a food stamp program for the 6-month period ending on the hire date; or receiving such assistance for at least 3 months of the 5-month period ending on the hire date. The Louisiana Workforce Commission can verify this information.

H. Supplemental Security Income (SSI) Recipient - An individual receiving Supplemental Security Income (SSI) benefits for any month ending within the 60 day period ending on the hire date. Proof of benefits must be attached to the certification request.

I. Long-Term Family Assistance Recipient - An individual who is a member of a family that received Temporary Assistance to Needy Families (TANF) or benefits under a successor program for at least 18 consecutive months ending on the hire date; or has received family assistance for a total of at least 18 months (whether or not consecutive) beginning after August 5, 1997 and has a hire date that is not more than two (2) years after the end of the earliest 18-month period; or whose TANF eligibility expired under a federal or state law after August 5, 1997, and who was hired within two years after their eligibility expired. The Louisiana Workforce Commission can verify this information if benefits were received in Louisiana.

American Recovery and Reinvestment Act - New WOTC Target Groups
The American Recovery and Reinvestment Act expands the WOTC Tax Credit program to include two new target groups; Unemployed Veterans and Disconnected Youth. Program changes will be for applicants who began work for an employer on/after January 1, 2009.

J. Unemployed Veterans - The Veteran was discharged on/after September 1, 2001, but prior to December 31, 2010; and the Veteran has received unemployment compensation for at least 4 or more weeks within a year from the hire date. A copy of the applicant's DD-214 or Official Discharge Papers that contain the dates and proof of military service and a service connected disability (if applicable) is required to certify the applicant for this target group.
K. Disconnected Youth – An individual who is at least 16, but not yet 25 on the hire date and;
   • Is not regularly attending a secondary, technical, or post-secondary school during the 6 months prior to
     the hire date and;
   • Is not regularly employed during the 6 months prior to the hire date and;
   • Is not readily employable by reason of lacking a sufficient number of basic skills.
The following documentation should be included with the certification request: a. Proof of Age (a copy of the
employee’s driver’s license or birth certificate and proof or a self attestation document signed by the applicant
or if under age 18, signed by the parent or guardian stating that the applicant was not attending a secondary,
technical or post-secondary school during the 6 months prior to hire date and that he or she is not readily
employable by reason of lack a sufficient number of basic skills.

Benefits to Employers:
The Certification Request (IRS Form 8850) and the Individual Characteristic Form (ETA 9061) with original
signatures should be mailed to: LWC - WOTC Processing Unit, P.O. Box 94094, Baton Rouge, LA 70804, no
later than 28 days after the start date. The Employer or their Consultant will receive Denial or Certification
notices once the request has been processed. All certification notices will denote which target group the
applicant was certified by listing the corresponding alphabetic letter (A through I) for that target group as noted
above.

For target groups not identified below, the tax credit is based on qualified wages paid to the employee for the
first year of employment. Qualified wages are capped at $6,000. The credit is 25% ($1,500) of qualified first-year wages for those employed at least 120 hours but fewer than 400 hours and 40% ($2,400) for those
employed 400 hours or more. The IRS Form 8850 and the ETA Form 9061 must be completed and mail to the
WOTC Processing Unit within 28 days of the employees start date.

Summer youth employees. Wages are capped at $3,000 ($1200 tax credit) for 16- and 17-year-olds working
for a 90-day period between May 1 and September 15.

Disabled Veteran employees. Qualified wages for Disabled Veterans only is based on the first $12,000 in
wages A 25% ($3,000) credit for workers who work at least 120 hours but less than 400 hours, and A 40% credit for workers who work at least 400 hours for a maximum credit of $4,800.

Long-term TANF recipients. Wages are capped at $10,000 ($4,000 tax credit for the first year). The WOTC
is also available for the employee’s qualified second-year wages, also capped at $10,000. The credit is 50%
($5,000) of qualified wages for the second year of employment.

Ineligible For The Work Opportunity Tax Credit:
   • Employers not covered by FUTA
   • Relatives of the employer
   • Non-qualifying rehires
   • Federally subsidized on-the-job training positions

If you need additional information email us at wotc@lwc.la.gov or call (225) 342-1235 or (225) 342-6407 if
you have any questions or need additional information.