



## DISASTER RECOVERY TAX INCENTIVES

**TAX INCENTIVES ARE AVAILABLE** to businesses hiring individuals affected by Hurricane Katrina or by retaining employees while the business was inoperable as a result of Hurricanes Katrina, Rita, or Wilma.

First Advantage can show you how these tax credits can help put people back to work while rebuilding your company and community. We effectively manage tax screening processes and paperwork allowing you to focus on key objectives that meet critical organization recovery goals.

### EMPLOYEE RETENTION CREDIT - HURRICANES KATRINA, RITA, AND WILMA

Businesses located in the Gulf Opportunity Zone (GO Zone) can earn tax credits if they continued to pay their employees despite a loss of operations due to Hurricanes Katrina, Rita, or Wilma, regardless of company size. Businesses can earn up to 40% of the first \$6,000 in wages during the time the business location was inoperable through December 31, 2005. Important facts:

- > Business locations must be in a GO Zone.
- > Credit is limited to employees who were on the payroll at the time of the disaster.
- > Businesses must have been inoperable on any day between start of the disaster and December 31, 2005.
- > Credit is available even if the employee performed services at a different location for the employer following the disaster.
- > Potential credit is **up to \$2,400 per employee**.

### HURRICANE KATRINA WOTC CREDIT

Companies hiring individuals that lived in the Hurricane Katrina core disaster area may be eligible for Work Opportunity Tax Credits (WOTC). The potential credit is up to \$2,400 per new hire. Important facts:

- > Businesses may be eligible for additional WOTC credits if the new employee's residence was in the Katrina core disaster area on August 28, 2005.
- > Regardless of salary or position, any new hire can qualify if the residency requirement is met.
- > Businesses located in the core disaster area are eligible for this credit until August 28, 2007.
- > Businesses located outside the core disaster area are eligible for this credit until December 31, 2005.

An employee can only be eligible for either the retention credit or Hurricane Katrina WOTC credit.

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#### ABOUT FIRST ADVANTAGE TAX CONSULTING SERVICES

First Advantage Tax Consulting Services develops and implements strategies to reduce your tax liabilities including Work Opportunity Tax Credits, Welfare to Work Tax Credits, location-based credits and grants, site selection services, and sales and use tax consulting. More than 1,000 companies, including many FORTUNE® 100 companies, trust us as their tax consulting partner.

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For more information, contact **FIRST Advantage** Tax Consulting Services at 800.669.6005, visit [www.FADV.com/TaxConsulting](http://www.FADV.com/TaxConsulting).