



WOTC EXTENDED THROUGH AUGUST 31, 2011

May 25, 2007

Congress has passed legislation that extends the Work Opportunity Tax Credit (WOTC) through August 31, 2011. This measure, as well as other business tax incentives and an increase to the federal minimum wage, was included in the war spending bill. The bill has been sent to the President for his signature. Unlike the previous version of the war spending bill, a presidential veto is not anticipated.

"This is the longest extension of WOTC since the program's inception," says Beth Henricks, president of First Advantage Tax Consulting Services.

In addition to the WOTC extension, the bill also:

- Expands the qualified veterans targeted group definition and increases qualified first year wages to \$12,000 (veterans only)
- Changes "high-risk youth" category to "designated community residents" and raises the age ceiling from 25 to 39. This category is expanded to include rural renewal county residents.
- Expands the definition of vocational rehabilitation referral.
- Allows the provision that business tax credits generally can offset alternative minimum tax liability (AMT).

These enhancements are effective on the day the President signs the bill.

Congress also instructed the IRS to develop procedures to allow paper versions of electronically completed pre-screening notices and copies of the hand signed original pre-screening notices.

[First Advantage](#) will provide more information as more details about the WOTC enhancement become available. If you have questions or would like more information, please contact your hiring credit manager or send an e-mail to tax@fadv.com.