



WOTC ENHANCEMENTS EFFECTIVE MAY 25

May 30, 2007

President Bush signed H.R. 2206 into law on Friday, May 25. This legislation includes WOTC renewal through August 31, 2011 as well as the below WOTC program enhancements that went into effect on Friday, May 25.

- Expands the qualified veterans targeted group definition and increases qualified first year wages to \$12,000 (Veterans category 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).

As part of H.R. 2206, Congress instructed the IRS to develop procedures to allow for faxed and electronic versions of completed form 8850 as well as electronic signatures. First Advantage is meeting with the Department of Labor and IRS representatives to provide input to the new processes.

Your [First Advantage](#) hiring credit manager will contact you to discuss these enhancements and new alternatives for administration of WOTC. If you have questions, please send an e-mail to tax@fadv.com.