



## LEGISLATIVE UPDATE

### WOTC Renewal and Form 8850

February 9, 2007

#### WOTC Renewal Update

Congressional action on the Minimum Wage bill puts WOTC renewal back in play. The House passed a clean bill with no other provisions besides the increase in the minimum wage. Subsequently the Senate passed their version that includes business tax breaks, including WOTC (which is about 46% of the \$8.3 billion price tag).

In response to those Senate tax provisions, Chairman Rangel (House Ways and Means) will be marking up his own version of a House tax bill starting this coming Monday. WOTC extension is considered a priority for that bill, probably for one year to allow for some negotiating room with the Senate Finance where Chairman Baucus included a five-year extension. Because next week is the last week before the Presidents' Day recess, the Iraq debate is expected to take up much of the remaining floor time, so action on the tax bill will likely slip beyond the recess.

We will have the opportunity to seek a longer extension when the Conference Committee meets to work out the difference between the two bills. At that time, we will let you know who will be involved in the Conference, and whether your emails or calls will be needed.

#### IRS Form 8850 Update

The new IRS Form 8850 is now posted and we have confirmed with our contacts that it is the form we can use. If you are using a hardcopy Form 8850, you and your hiring locations will be receiving the new form from us over the next few weeks. We are also partnering with our automated vendors to transition to the new form. The form is available on the IRS Web site at <http://www.irs.gov/charities/article/0,,id=128686,00.html>.

If you have any questions, please contact your [First Advantage](#) Client Service Representative.