



**Tax Credit Unit Fact Sheet**

**Work Opportunity Tax Credit (WOTC)**

**Target group: Qualified Veterans**

A WOTC eligible veteran must meet the criteria below:

1. Served on active duty (not including training) in the U.S. Armed Forces for more than 180 days or discharged/released from active duty for a service-connected disability; **and**
2. Can’t have a period of active duty (not including training) of more than 90 days that ended during the 60-day period ending on the hiring date.
* Time spent in training only does not apply toward the 180 days.
* The service member that received a less than honorable or dishonorable discharge may participate in WOTC.

**Veteran receiving SNAP, Target Group 2Ba:**

Aveteran receiving SNAPis member of a family that received SNAP benefits (food stamps) for at least a three-month consecutive months during the 15-month period ending on the hire date.

**Maximum Credit Amount $2,400**

**Tier 1-Worked at least 120 hour, but less than 400 hours**

* Up to $1,500
* 25 percent of $6,000 of first-year wages

**Tier 2 -Worked at least 400 hours**

* Up to $2,400
* 40 percent of $6,000 of first-year wages

**Veteran Disabled Discharged, Target Group 2Bb:**

A **Veteran Disabled Discharged** is a veteran as defined by WOTC criteria who is entitled to compensation for a service-connected disability; **AND** has a hire date within one year of discharge or release from active duty.

**Maximum Credit Amount $4,800**

**Tier 1-Worked at least 120 hour, but less than 400 hours**

* Up to $3,000
* 25 percent of $12,000 of first-year wages

**Tier 2 -Worked at least 400 hours**

* Up to $4,800
* 40 percent of $12,000 of first-year wages

**Veteran Disabled and Unemployed, Target Group 2Bc:**

A **Veteran Disabled and Unemployed** is aveteran as defined by WOTC criteria who is entitled to compensation for a service-connected disability; **and** was unemployed at least six months during the year ending on the hire date.

**Maximum Credit Amount $9,600**

**Tier 1-Worked at least 120 hour, but less than 400 hours**

* Up to $6,000
* 25 percent of $24,000 of first-year wages

**Tier 2-Worked at least 400 hours**

* Up to $9,600
* 40 percent of $24,000 of first-year wages

**Veteran Unemployed 4 weeks, Target Group 2Bd:**

A **Veteran Unemployed 4** week’s is a veteran as defined by WOTC criteria who was unemployed at least four weeks, but less than six months during the year prior to the hire date.

**Maximum Credit Amount $2,400**

**Tier 1-Worked at least 120 hour, but less than 400 hours**

* Up to $1,500
* 25 percent of $6,000 of first-year wages

**Tier 2-Worked at least 400 hours**

* Up to $2,400
* 40 percent of $6,000 of first-year wages

**Veteran Unemployed six month’s Target Group 2Be:**

A **Veteran Unemployed six month’s** is a veteran who was unemployed at least six months during the year prior to the hire date.

**Maximum Credit Amount $5,600**

**Tier 1-Worked at least 120 hour, but less than 400 hours**

* Up to $3,500
* 25 percent of $14,000 of first-year wages

**Tier 2-Worked at least 400 hours**

* Up to $5,600
* 40 percent of $14,000 of first-year wages

Examples of supportive documentation for veteran target groups include:

• DD-214 or Discharge Papers

• Reserve Unit Contacts or Letters of Separation

• Letter issued only by the Department of Veterans Affairs (VA) on VA Letterhead or bearing the Agency Stamp, with signature, certifying veteran service dates or that the veteran has a service-connected disability.

Please note that the maximum tax credit amounts listed above are applicable to private-sector businesses only. For more information on WOTC for tax-exempt organizations, please visit IRS’s WOTC webpage at: [www.irs.gov/pub/irs-pdf/f5884c.pdf](https://www.irs.gov/pub/irs-pdf/f5884c.pdf).