

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC
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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. XX-XX

TO: ALL STATE WORKFORCE AGENCIES
 ALL STATE WORKFORCE LIAISONS
 ALL REGIONAL WOTC COORDINATORS

FROM: EMILY STOVER DeROCCO
 Assistant Secretary

SUBJECT: Extension of the Information Collection for the
 Consolidated Work Opportunity Tax Credit (WOTC)
 Program - Revised Reporting and Processing Forms

1. **Purpose.** To announce the receipt of Office of Management and Budget (OMB) approval for the continued collection of data and use of the reporting and administrative forms for the consolidated WOTC Program and transmit the newly revised forms and online reporting instructions.
2. **References.** The Small Business and Work Opportunity Tax Credit Act of 2007 (P.L. 110-28); the Tax Relief and Health Care Act of 2006 (P.L. 109-432); Paperwork Reduction Act of 1995; the [Working Families Tax Relief Act of 2004 \(P.L. 108-311\)](#); the [Job Creation and Worker Assistance Act of 2002 \(P.L. 107-147\)](#); [Internal Revenue Code of 1986, Section 51, as amended](#); Training and Employment Guidance Letter (TEGL) No. 20-06, *Reauthorization of the Work Opportunity Tax Credit and Other Program Changes*, dated April 3, 2007; [ETA Handbook No. 408, November 2002](#), Third Edition (the Handbook); and the May 2005, Addendum to the Handbook.
3. **Background.** OMB authorization for the data collection of the WOTC and the Welfare-to-Work Tax Credit (WtWTC) quarterly performance reporting and administrative forms expired on June 30, 2006. The Office of Workforce Investment requested from OMB an extension, of all revised forms, through August 31, 2009.
4. **Information.** On May 25, 2007, the President signed into law the *Small Business and Work Opportunity Tax Act of 2007* (P.L.

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110-28), which extends the WOTC Program through August 31, 2011. This Act and the *Tax Relief and Health Care Act of 2006* (P.L. 109-432), signed into law on December 20, 2006, amend certain target groups and introduce new provisions that streamline the WOTC program and make it easier for the business sector to participate.

Section 105 of P.L. 109-432 extended the WOTC Program for a two-year period through December 31, 2007, effective retroactively to January 1, 2006, and merged the WtWTC into the WOTC. Specifically, this legislation introduced certain statutory amendments and new provisions with respect to individuals who begin work for an employer on or after January 1, 2007. For additional information, see TEGl No. 20-06, dated April 3, 2007.

The new provisions required that the report form and all administrative and processing forms be revised to reflect the legislative changes. This OMB approval covers annual planning, reporting, and record-keeping burden for Report 1 - *Certification Workload and Characteristics of Certified Individuals* (ETA Form 9058). Also, OMB's data collection approval includes ETA Forms 9061- 9063, 9065, 9057, and 9059. The forms transmitted by this TEGl are approved through August 31, 2009. ETA is seeking a separate OMB emergency clearance on the new revisions to these forms that accommodate the latest amendments and provisions covered by P.L. 110-28 for new hires that begin to work for an employer after May 25, 2007.

5. **Reporting Process.** With the implementation of the Internet Tax Credit Reporting System (TCRS) through ETA's Enterprise Business Support System (EBSS), state workforce agencies (SWAs) have sole control over data entry. Passwords have been assigned to each state coordinator that permit them access to the appropriate screens for the quarterly TCRS report, ETA Form 9058 - Report 1. Personal Identification Numbers (PINs) have been assigned to the regional coordinators to access and review each state quarterly report and issue the final report certification. New regional and state coordinators in need of passwords and PINs should contact Carmen Ortiz at ortiz.carmen@dol.gov.

Since many states have backlogs and are expected to continue processing all WOTC and WtWTC timely filed and eligible certification requests, the EBSS WOTC TCRS just made available a modified ETA Form 9058 - Report 1 to facilitate the reporting phase-out period of all WtWTC program data. The modified report version permits states to, on a quarterly basis, report the following: 1) WOTC and WtWTC program data for individuals who began work for an employer after December 31, 2005 and prior to January 1, 2007, and 2) also report data for the *consolidated* WOTC for individuals who began work for an employer after December 31, 2006 in the same report. *The phase-out or transition period during which WOTC and, specifically, all WtWTC program data must be reported, using the modified ETA Form 9058, ends on September 30, 2007.* Additional instructions involving the mechanics of this reporting process will be provided to WOTC regional and state staff through an upcoming webinar.

Grace Period. SWAs should submit all quarterly reports no later than 45 days following the closing date of each reporting period. All activities should be reported in the quarter in which the activity occurred. A grace period, effective upon receipt of this TEGL, is being granted to the SWAs to allow them to report quarter two program data. All quarter two program data includes WOTC and WtWTC certifications and denials issued for new hires that began to work for an employer after December 31, 2005 and before January 1, 2007. Program data for quarter three, for determinations made for individuals who began to work for an employer *after* December 31, 2006, should be submitted beginning with the quarter ending on June 30, 2007, which is due in the TCRS no later than August 15, 2007. The modified version of ETA Form 9058 and the updated User's Guide for the EBSS WOTC TCRS, which incorporates changes from P.L. 109-432, all other administrative and processing forms, and all other WOTC program related materials will be available at: <http://www.doleta.gov/business/Incentives/opptax>.

6. **Reporting Authority.** The reporting, program administration, and processing forms for the consolidated WOTC Program are approved according to the Paperwork Reduction Act of 1995, under OMB No. 1205-0371. This authority is effective through XX/XX/200X.
7. **Action Required.** SWAs are required to submit WOTC and WtWTC program data using the EBSS Tax Credit Reporting System beginning with the data for the quarter

ending on XX/XX/200X. Due to current legislative changes, EBSS had to revise and modify the existing ETA Form 9058 – Report 1 and incurred in unexpected delays. A grace period, effective upon receipt of this TEGl, has been granted to the states to submit quarter two WOTC and WtWTC data. The grace period ends on August 15, 2007 providing the states enough time to submit program data for quarters two and three and become current. Thereafter, quarterly reports are due 45 days following the end of each quarter.

SWA administrators are requested to provide this TEGl to all WOTC State Coordinators and ensure they comply with the revised reporting requirements.

- 8. Inquiries.** Direct all questions to the appropriate Regional WOTC Coordinator.
- 9. Attachments.** For copies of the reporting, administrative and processing forms, the revised Addendum to ETA Handbook 409, and the Compliance Review and Technical Assistance Guide visit WOTC's Web site at: www.doleta.gov/business/Incentives/opptax