

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.** The purpose of this guidance is to announce the receipt of Office of Management and Budget (OMB) approval 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); Paperwork Reduction Act of 1995; the Tax Relief and Health Care Act of 2006 (P.L. 109-432); 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.** Congress passed two bills reauthorizing and expanding the WOTC Program. The new provisions required that the report form, all administrative and processing forms, and related program materials be revised to reflect the legislative changes.

RESCISSIONS	EXPIRATION DATE:
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On December 20, 2006, the President signed into law *Tax Relief and Health Care Act of 2006* (P.L. 109-432).

This legislation extended the WOTC Program for a two-year period through December 31, 2007, effective retroactively to January 1, 2006, and merged the Welfare-to-Work Tax Credit (WtWTC) into 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.

On May 25, 2007, the President signed into law the *Small Business and Work Opportunity Tax Act of 2007* (P.L. 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.

To address the different changes and provisions introduced by these two pieces of legislations, ETA not only updated the WOTC administrative and processing forms and other program related materials, but also revised and developed a modified automated reporting system and procedures. On September 6 and 7, 2007, ETA provided to the regions and the states a two-session training webinar on the new reporting requirements. These sessions are archived and can be accessed at any time by visiting the Workforce3One website: at: <http://workforce3one.org/public/webinars>

The current forms and program materials that received OMB emergency approval through April 30, 2008 are now officially extended through MM/DD/YY. The 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 revised forms incorporate the latest amendments and provisions introduced by P.L. 110-28 for new hires that begin to work for an employer after May 25, 2007.

4. Reporting Instructions and Clarifications. All four administrative and

reporting forms have been revised and updated to reflect the changes and new provisions introduced by Public Laws 110-28 and 109-432. The instructions to each form have also been updated. ETA Form 9061 - *Individual Characteristics Form (ICF), Work Opportunity Tax Credit Program* has not only been revised to accommodate all the changes and new provisions but also reformatted in a user-friendly format and easy-to-use style. Comments received during the Federal Register Notice invitation for Public Comments, which expired on March 10, 2008, were considered and incorporated.

To ensure the smooth and uninterrupted submission by employers of the certification requests for their new hires, ETA is granting a transition period that allows employers to continue to file with the SWAs the older July 2002, ETA Form 9061 version as long as the certification requests apply to the target groups on that form. This window of opportunity allows employers to gradually begin using the new OMB approved July 2008 ([date subject to OMB'S final clearance](#)), ETA Form 9061 as soon as they start hiring members of the recently amended target group categories. Employers are encouraged to start using the new ETA Form 9061 immediately.

Internal Revenue Service (IRS) Clarification for Use of Form W-4. Recently, questions regarding the use of IRS Form W-4 as documentary evidence to prove residential address for potential members of the Summer Youth and Designated Community Resident target groups were brought to ETA's attention. To clarify, employers seeking certification requests for potential members of these two WOTC target groups may continue to use IRS Form W-4 as documentation to show that the applicant resides in an Empowerment Zone, Enterprise or Renewal Community. SWAs are, hereby, instructed to: 1) continue to accept this form as valid documentation to prove the address where these applicants reside and 2) revisit and honor any certification requests denied on the basis of a rejected IRS Form W-4.

5. **Electronic Reporting Process.** With the implementation of the Internet Tax Credit Reporting System (TCRS) through ETA's Enterprise Business Support System (EBSS) in 2002, 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 have been reported using modified ETA Form 9058, ended on September 30, 2007.*

The modified version of ETA Form 9058 and the updated User's Guide for the EBSS WOTC TCRS, which incorporates changes from PLs 110-28 and 109-432, all other administrative and processing forms, and all other WOTC program related materials will be available on the Internet at: www.doleta.gov/business/Incentives/opptax.

6. **Reporting Authority.** Reporting, program administration and related materials, 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 **MM/DD/YY**.
7. **Action Required.** SWA administrators are requested to provide this TEGL to all WOTC State Coordinators and ensure they comply with the revised reporting requirements and guidance provided.
8. **Inquiries:** Direct all questions to the appropriate Regional WOTC Coordinator.