

OMB 1205-0371, Justification for Non-Substantive Change Request Work Opportunity Tax Credit (WOTC) Program

On January 3, 2013, President Obama signed into law the American Taxpayer Relief Act of 2013 (Pub. L. 112-240, 126 STAT 2313) (the Act)). Sections 309 and 327 of this Act extended retroactively the Empowerment Zones (EZs) and WOTC non-veteran target groups, both of which had expired on December 31, 2011, and authorized the continuation of the VOW to Hire Heroes Act of 2011 (VOW Act), expanded veteran groups and provisions that expired December 31, 2012. These extensions apply to non-veteran employees who began to work for an employer after December 31, 2011 through December 31, 2013 and to veterans who started to work for an employer any time between November 22, 2011 and December 31, 2013.

Action Requested: ETA seeks OMB approval to make minimal non-substantive changes to ETA Form 9058 - Report 1, "Certification Workload and Characteristics of Certified Individuals," ETA Form 9061, "Individual Characteristics Form - Work Opportunity Tax Credit," and ETA Form 9062, "Conditional Certification." **No burden change is involved.**

BACKGROUND. The WOTC Program, enacted by the Small Business Job Protection Act of 1996 (Pub. L. 104-188) and Section 51 of the Internal Revenue Code (IRC), was created by Congress as a tax credit incentive for employers who provide employment opportunities and training to the members of a number of targeted groups, which have faced significant barriers to employment.

On November 21, 2011, President Obama enacted into law the VOW Act. Section 261 of the VOW Act, "Returning Heroes and Wounded Warriors Work Opportunity Tax Credit," made a series of amendments to the original Veteran target group, expanding the existing qualified veteran group, creating two types of unemployed veteran groups, increasing the wages and specific tax credits for hiring certain veterans and granting the WOTC to qualified tax-exempt organizations that hire these veterans. These changes and provisions were to expire on December 31, 2012.

The American Taxpayer Relief Act of 2013, signed by the President into law on January 3, 2013, authorized an extension of the WOTC program. In summary, this legislation does the following:

- Continues authorization of all veteran target groups (including those implemented under the VOW to Hire Heroes Act) until December 31, 2013.
- Retroactively reauthorizes all WOTC non-veteran target groups, from December 31, 2011 to December 31, 2013.
- Retroactively reauthorizes Empowerment Zones, which determines eligibility for the summer youth and designated community resident target groups, from December 31, 2011 to December 31, 2013.

Non-Substantive Changes to ETA Forms 9058, 9061 and 9062:

I. ETA Form 9058 and Instructions

Form 9058 – Page 1, Part II. “Characteristics of Certified Individuals” Column I. “By WOTC Target Group”:

- Box 4. Summer Youth was added since the legislative authority for EZs and the non-veteran groups that expired on December 31, 2011 was reauthorized. The statutory definition for this group, as well as the Designated Community Resident (DCR) group, requires that the youth and the DCR must reside in an EZ to be determined eligible.
- Boxes 5-11 were renumbered without any changes to the content.

Instructions:

- Page 2. **Introductions.** Line 3. Deleted “were added to”. Line 4. Deleted “and provisions”.
- Page 2. **Form Updates.** ETA updated the contents of this paragraph by providing a brief overview of Pub. L. 112-240, enacted by the President on January 3, 2013, and explaining the retroactive extension for the non-veteran target groups and the Empowerment Zones, the continuation of the VOW Act veterans’ provisions, and the updates to the form required by these extensions.
- Page 4. Section I. Added Line #4. “Enter the total number of WOTC certifications issued by the SWA during the current report period for the Summer Youth group.”
- Page 4. Section I. Renumbered Lines #5 – 11 without any changes to the content.
- Page 4. Section J. Sentence 3 of the **Note:** Changed reference from “Line 9” to “Line 10.”
- Page 5. Section K, Column (a). Sentence 3 of the **Note:** Changed reference from “Line 9” to “Line 10.”

II. ETA Form 9061 and Instructions

Form 9061:

- Page 2. Box 18. Added “or Empowerment Zones” since DCRs can now once again resided in EZs because these were reauthorized through December 31, 2013 by P.L. 112-240.
- Page 2. Inserted a row and numbered it Box 19, to add the Summer Youth target group, now active since the EZs were once again extended through December 31, 2013.
- Page 2. Renumbered Boxes 20-25 without any changes to the content.

Instructions:

- Page 3. Added 24(a) to the first paragraph.
- Page 3, Boxes 12-22, Applicant Characteristics. Added information on the new legislation and added a paragraph explaining the minor changes affecting the form.
- Page 4, “Examples of Documentary Evidence and Collateral Contacts.” Added information on how to determine if the DCR or Summer Youth lives in an EZ.

III. ETA Form 9062 and Instructions

Form 9062:

- Page 1, Top Box titled: “EMPLOYERS.” Added this language: (See IRS Relief Period in TEGL No. XX-XX and IRS Notice xx-xx) to alert employers and their representatives about the filing relief from the statutory 28-day “timely filing requirement.”
- Page 1, Box 10. Added language to clarify that both the code and group name should be included for the non-veteran target groups.
- Page 1, under NOTE TO EMPLOYER, Box 14. Added “Applies to the Summer Youth group only.”
- Page 1, under NOTE to EMPLOYER. Added language to reflect the new IRS relief period from the 28-day filing requirement granted to employers when filing certification requests on or before March 31, 2013.

Instructions:

- Page 2, Line 4 of the first paragraph, “CONDITIONAL CERTIFICATION (CC) ETA FORM 9062”. Deleted the word “veteran” and replaced it with “individual.”
- Page 2, Box 3, “For Ex-Felon Target Group Only.” Deleted the “Note” about Box 4 not applying to veterans hired under the VOW Act.
- Page, 2, Box 5, “SWAs’ Name and Address.” Corrected the number cited for “Box 16” by deleting “6” and replacing it with “5”. The correct box cited is now Box 15.
- Page 2, Box 10, Target Group Code. Deleted the language instructing users that the box does not apply because the groups expired on Dec. 31, 2011. Language was updated with information on the retroactive reauthorization of the non-veteran groups.
- Page 2, Box 12, “Veteran Target Group Code.” Added “veteran” to the name of the box and the prefix “pre” to the word “certified.”