

## IRS Provides Additional Time to File Form 8850 to Claim WOTC

February 20, 2015

### Overview

On February 19, 2015, the Internal Revenue Service (“IRS”) issued Notice 2015-13, providing guidance to employers claiming the Work Opportunity Tax Credit (“WOTC”) under Internal Revenue Code (“IRC”) §§51 and 3111(e).<sup>1</sup> For certain employers seeking to qualify for the WOTC, the Notice provides additional time beyond the 28-day deadline specified in IRC §51(d)(13)(A) to submit Form 8850 (*Pre-screening Notice and Certification Request for the Work Opportunity Credit*) to an applicable Designated Local Agency (“DLA”). In this Tax Alert we summarize this IRS guidance.

### Tax Increase Prevention Act of 2014

The Tax Increase Prevention Act of 2014 (“TIPA”)<sup>2</sup> retroactively extended the WOTC expiration date from December 31, 2013, to December 31, 2014, as applied to businesses that hire employees who fall within certain targeted groups.<sup>3</sup>

### Notice 2015-13 Transitional Relief - Additional Time to Submit Form 8850

In Notice 2015-13 the IRS acknowledges that the TIPA’s retroactive extension of the WOTC may cause employers to “need additional time to comply with the requirements of IRC §51(d)(13)(A)[,]” namely, the filing of Form 8850 with a DLA.<sup>4</sup> To address this concern, Notice 2015-13 provides transitional relief applicable to the timing for filing Form 8850 by employers that hire a member of a targeted group on or after January 1, 2014, and before January 1, 2015. As specified in the Notice, employers will be considered to have satisfied the requirements of §51(d)(13)(A)(ii) if they submit the completed Form 8850 to the applicable DLA to request certification not later than April 30, 2015.

### Contacts

If you have questions regarding Notice 2015-13, the WOTC generally, other federal employment credits, or state credits and incentives, please contact any of the following Deloitte Tax professionals.

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<sup>1</sup> The WOTC is a federal income tax credit of up to \$9,600 for each qualified newly hired employee, depending upon qualification category. See, IRC §51(a), (b).

<sup>2</sup> Pub. L. No 113-295 (enacted Dec. 19, 2014).

<sup>3</sup> The members of the targeted groups that qualify under the WOTC are defined in IRC §51(d)(2) through (10).

<sup>4</sup> Notice 2015-13.