

An estimated \$64.8 Billion in Work Opportunity Tax Credits (WOTC) go unclaimed by employers each year.

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Background

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain targeted groups such as Veterans, including Disabled Veterans, and other non-Veteran groups who may often face significant barriers to employment.

WOTC joins other workforce programs that incentivize workplace diversity and facilitate access to good jobs for American workers.

Eligible employers can receive a federal tax credit ranging from \$1,200 to \$9,600 for each qualified employee hired under the WOTC program; or \$9,000 over a two-year period for employees hired, who were long-term public benefits recipients, prior to hire.

Problem

Variations of the Tax Credit program have been around for decades, yet it is highly under-utilized. According to the Department of Labor, approximately **\$1 Billion in tax credits are claimed each year out of an estimated \$65.8 Billion in available tax credits.**

There are many reasons why the program isn't reaching its potential. To simplify things, the major factors are:

Program Exposure – Like many government programs available to the general public, reaching a targeted population may be challenging. According to the Department of Labor, there is a limited budget set aside, and limited personnel assigned to market the tax credit program to businesses and the general population.

Complexity – The program has certain deadlines and benchmarks that are requisite to qualify for each tax credit. Many businesses either don't understand the program or lack the necessary resources or understanding to navigate this complicated bureaucratic framework.

Technology – Many states are still using archaic applications that lack interfaces with local, state and national systems. This creates additional complexity in the certification process. As a result, some qualified tax credits are denied because states are unable to leverage technology to find needed information. Further, several states do not have a system in place to allow for electronic submission of tax credit paperwork and are still processing paperwork manually.

Resources – Many states face budgetary and staffing constraints to support the tax credit program properly. This also leads to delays in the certification process. It is not uncommon to have processing times in excess of six months or more. Many businesses lack the bandwidth to dedicate resources to collect and track all the required paperwork.

Solution

At **Veteran Tax Credits (VTC)**, the mission is to help all Veterans, Veteran Owned Businesses and Employers of Veterans leverage the Department of Labor **Work Opportunity Tax Credit (WOTC)** program. We strive to increase Veteran employment opportunities by providing assistance with tax credit applications. Businesses who utilize VTC's service will not only have the opportunity to hire excellent Veterans, but they will also reduce their annual tax burden. Considering these benefits, we believe that business owners will think more strategically about hiring more Veterans and other targeted groups as a result of our product.

To achieve maximum results, our approach addresses each of the four categories described above as follows:

Exposure - We believe that both Veterans and the employers need to be educated on how to take ownership of and use this program to their advantage. We have identified the following areas of focus:

Transitioning Service Members	Veterans Post Transition	Employers	Military Spouses
Veterans transitioning directly out of the military and into the civilian workforce, higher education, or entrepreneurship.	Veterans who have completed their initial transition out of the military and are in the process of changing careers, returning to school or becoming entrepreneurs.	Government and private sector organizations that have existing Veteran hiring initiatives or want to hire Veterans.	Military Spouses make up the largest unemployed demographic in the United States, with unemployment rates hovering above 60%.

In each of these areas we are actively engaging strategic partners to help us educate both the employer and employee populations. We focus primarily on government and private sector organizations that have existing relationships with employers and/or Veterans. We have also launched a non-profit funding program that helps Veteran focused organizations turn referrals of existing employer relationships into ongoing funding from **Veteran Tax Credits (VTC)**.

VTC helps Veterans get pre-certified for the WOTC tax credit. After the Veterans register on our platform and complete a few simple forms, VTC provides a letter to them designed to market that Veteran to prospective employers and incentivize those employers to visit our website to learn more about the tax credit the Veteran qualifies for. One collateral benefit is that registered Veterans take ownership of the program and bring valuable revenue to the company that hires them.

Though we focus initially on marketing our service to claim tax credits for hiring Veterans, we educate our clients on how to use our platform to identify **ALL** target groups during the hiring process. There are many industries including service, construction, agriculture, and manufacturing, that historically hire lower-income employees that would qualify for the Non-Veteran target group tax credits. We help those businesses incorporate processes using our platform to ensure we maximize tax credits earned for SNAP, TANF, SSI and ex-felon target groups they hire as well as Veterans.

Complexity – The VTC platform makes it easy for both employers and Veterans to leverage the program to their advantage. Veterans can register and complete the required surveys either while job searching, or as part of the hiring process with a client. VTC submits all tax credit documents to the appropriate Workforce Agencies in order to pre-certify each Veteran for the credit, at no charge to the Veteran. VTC’s proprietary software assists employers from the sourcing phase through to the fruition of the credit. VTC handles all required paperwork submission with the applicable state agencies and acts on the employers’ behalf to ensure **maximized Tax Credits**.

Technology – The VTC approach leverages technology to simplify the process for all parties and eliminates the risk of filing mistakes. It provides employers with an applicant tracking system that they can use independently or tie into existing ATS solutions. The system collects and tracks all WOTC required information and paperwork. It will alert employers when any action is required during the certification process. It also provides employers with another sourcing channel to help them fill open requisitions with pre-certified candidates. Additionally, VTC is the only national electronic platform that aids Veterans in the pre-certification process. The system creates the necessary paperwork that VTC submits to the states on their behalf. This gets them into the state databases which greatly increases the efficiency and likelihood of credits when the Veteran finds employment.

Resources – By optimizing this process, VTC makes it easier for states to certify tax credits for its employers. VTC also acts as an indirect partner of the Department of Labor and the Workforce Agencies in each state by actively marketing the WOTC program to both Veterans and employers. VTC service also minimizes the resources needed by employers, because we handle all the processing and submissions on their behalf.

To learn more about the VTC and our services visit <https://veterantaxcredits.com> or email us at info@veterantaxcredits.com.

Strategic Partners

Our strategic partners have committed to help VTC educate both the Veterans and employers they work with. We co-brand on each other’s websites and promote each other’s services on social media platforms. By collaborating, we are extending our reach and serving more businesses and the Veterans they hire.

- **The Invictus Project** <https://invictusproject.org/>
- **Vets2PM** <https://vets2pm.com/>
- **The 7 Eagle group** <https://www.7eagle.com>
- **Mt. Carmel Veterans Center** <https://veteranscenter.org/>
- **Allies in Service** <https://www.alliesinservice.org/>
- **The Recon Network** <https://recon.vet/>

Sources: Department of Labor, Bureau of Labor and Statistics, Congressional Research Service, Veteran Affairs, Center on Budget and Policy Priorities