

Work Opportunity Tax Credit

North Carolina allowed a credit of 6% of the Federal Work Opportunity Tax Credit (WOTC) for positions located in North Carolina. This credit expired for taxable years beginning on or after January 1, 2012. The credit reduced General Fund availability by \$0.8 million per fiscal year

Federal Work Opportunity Tax Credit for Returning Heroes and Wounded Warriors:

Tax credit for hiring veterans between **November 22, 2011 and December 31, 2012**. The amount of the credit is based on wages paid. The maximum credit allowed depends on the category of the veteran.

Veteran +	Maximum Credit
Unemployed for 4 weeks	\$2,400
Unemployed for 6 months	\$5,600
SNAP benefits	\$2,400
Service connected disability	\$4,800
Service connected disability & 6 months unemployed	\$9,600

Expired Federal Work Opportunity Tax Credit:

Tax credit for hiring individuals that face barriers to employment. The amount of the credit was based on wages paid. **This tax credit expired December 31, 2011.** Roughly 8,600 North Carolina employers have utilized the WOTC since the program's inception. For the 2010-11 program year, employers received tax credits for workers in the following categories:

• TANF recipients	1,959	• Disabled veterans	511
• SNAP recipients	37,846	• Summer youth	0
• High –risk youth	6,094	• Vocational rehabilitation	898
• Unemployed veterans	248	• Ex-felons	843
		• SSI recipients	869

The credit was 25% of the first year wages of those employed between 120 and 400 hours and 40% for those employed for more than 400 hours.

The wage cap for the credit was:

- \$3,000 for summer youth.
- \$10,000 for long-term TANF recipients. An additional credit of 50% of wages in the 2nd year of employment is also available.
- \$6,000 for all other groups.