**For those that are taking the advantage of the of the Work Opportunity Tax Credit (WOTC), below is the new updates for this program:**

Employers interested in the Work Opportunity Tax Credit (WOTC) and the federal Empowerment Zone program received good news this morning. Just after 5:30 AM,  President Donald Trump announced that he had signed the Bipartisan Budget Act of 2018.

With this deal, numerous expired tax benefits were retroactively reauthorized including federal Empowerment Zones.  Renewing Empowerment Zones also impacts the WOTC program.

Qualification under WOTC Target Groups D and F, “Designated Community Resident” and “Summer Youth,” respectively, among other things requires that an employee reside within an authorized Empowerment Zone.

The Empowerment Zone program had expired on December 31, 2016.  Anticipating that Congress would eventually reauthorize the program, thousands of employers have continued submitting WOTC applications for employees who reside in the zones.  Recently, State Workforce agencies began sending out Denial Letters for those applications.  Those denials will now have to be challenged and reversed.

Advice to employers and WOTC consultants: Review all denials and promptly appeal any denials under Target Groups D and F for 2017 new hires.

Unfortunately, the authorization only covered 2017.  In practical terms, the Empowerment Zone program expired again on January 1, 2018.