
Retroactive Work Opportunity Tax Credit opportunity – transition relief provides taxpayers until April 29 to file certain Form 8850s

March 11, 2013

In detail

Late last week, the IRS released [Notice 2013-14](#) providing transition relief due to the delay in the renewal of the Work Opportunity Tax Credit (WOTC), which previously expired on December 31, 2011. This transition relief provides taxpayers until April 29, 2013, to file a completed Form 8850 for employees hired:

- between January 1, 2012 and March 31, 2013 for all targeted categories, except qualified veterans, and
- between January 1, 2013 and March 31, 2013 for veteran category eligible individuals. This is a more limited time period because the veteran category continued to be in effect for the 2012 calendar year.

This is the second time in the recent history of WOTC renewals that taxpayers have been allowed to go back further than 28 days to identify qualified individuals, gather information from them, complete Form 8850, and file the form outside of the 28-day window from the qualified individuals' start date.

This opportunity will be most beneficial to: (1) employers that have already screened their employees for WOTC during this time period, but did not timely file Form 8850 and (2) employers that did not screen their employees during this time period and that have low employee turnover rates. For those taxpayers that did not timely complete screening for WOTC during this period and that have high employee turnover rates, the benefit of this transition relief may be more limited, but still beneficial. In all cases, this transition relief warrants consideration and immediate action to obtain the potential incremental benefits available under WOTC for hires made from January 1, 2012, through March 31, 2013.

Let's talk

For more information regarding this WOTC filing opportunity, please contact:

State and local tax services

Kenneth Hunter
Principal, *Tampa*
(813) 351-2399
kenneth.hunter@us.pwc.com

Tim Lima
Director, *Tampa*
(813) 351-2626
timothy.o.lima@us.pwc.com

Michael Santoro
Director, *Chicago*
+1 (312) 298-2917
michael.v.santoro@us.pwc.com