



Driving Economic Success



HIRING TAX CREDITS IN TULARE COUNTY



Workforce Investment Board
OF TULARE COUNTY
Driving Economic Success



Incentives Available

- **Federal HIRE Credit**
 - Open to private employers & public colleges & universities
- **Work Opportunity Tax Credit**
 - Employees must meet WOTC Criteria
- **State Hiring Credits**
 - Employees must meet Eligibility Criteria
 - Open to Industrial firms in Tulare County



Federal Hiring Incentives to Restore Employment Act **(H.I.R.E.)**



HIRE Tax Credit

- **Available to All Businesses Who Hire New Employees**
- **Provides For:**
 - **Exemption from Employer's Share (6.2%) of Social Security Tax Withholding thru 2010**
 - **\$1,000 Tax Credit if Employee Stays for 52 Weeks**



HIRE Tax Credit

- **Who Qualifies?**
 - Any Jobseeker who is Unemployed for 60 Days Prior to Hire
 - Any Business Who is Hiring Between:
March 19, 2010 - December 31, 2010



HIRE Tax Credit

- **How It Works:**
 - Applicant Goes Through Normal Hiring Process
 - Upon Hire Form W-11 is Completed
 - Business Submits W-11 Form When Filing Taxes

 - Important: Business is Still Eligible for Other Hiring Credits



HIRE Tax Credit

- **Business Will Use Form 941 For Quarterly Filing**
- **Business Will Not Be Required to Pay Their Share of Social Security Tax**
- **HIRE Does Not Affect Employees Social Security Account**
- **Business Must Still Pay Employee Share of Social Security & Income Tax**



HIRE Tax Credit

Employee Wage	\$10/hour
Hire Date	7/1/2010
Hours Worked	40/week
Gross Bi-Weekly Salary	\$800.00
Business SS Savings	\$49.60
Total Savings Thru 12-31	\$1,289.60
Tax Credit	\$1,000.00
<i>(if employee works 52 weeks)</i>	
TOTAL INCENTIVE	\$2,289.60
<i>(per employee @ \$10/hour)</i>	



HIRE Tax Credit

- **SUMMARY**

- **Two HIRE Incentives**

- **Employer Reduced SS Contribution**
- **\$1,000 Credit on Federal Tax if Employee Remains 52 Weeks**

- **Applicants Must Have Been Unemployed For At Least 60 Days**

- **And Never Previously Worked for Employer**



HIRE Tax Credit

Web Site

<http://www.irs.gov/newsroom/articles>



Hiring Tax Credits

Work Opportunity Tax Credit (WOTC)



WOTC

- **Potential Tax Credit up to \$9,000 on Federal Tax Return**
- **Employees must meet qualifying criteria**
- **Business may claim credit on unlimited number of qualifying new hires**
- **Credits extended to August, 2011**



WOTC

- **Designed to Assist Jobseekers Facing Greater Barriers to Employment**
- **Employee Qualifying Criteria**
 - Food Stamp, SSI or TANF Recipients
 - Ex-Offenders
 - Unemployed Veterans
 - Unemployed Youth



Hiring Tax Credits

Business Incentive Zone (BIZ)



BIZ

- **Similar to an Enterprise Zone**
- **Only One of Its Kind In California**
- **Sunsets in November of 2012**
- **Businesses in 5 Target Clusters Qualify**



BIZ

- **Businesses Must Be Located in:**
 - **8 Incorporated Cities of Tulare County**
 - Dinuba
 - Farmersville
 - Porterville
 - Visalia
 - Exeter
 - Lindsay
 - Tulare
 - Woodlake
 - **Or in the Following Communities**
 - Cutler-Orosi
 - Goshen
 - Terra Bella
 - Tipton
 - Earlimart
 - Pixley
 - Three Rivers
 - Traver



BIZ

- **Businesses Can Receive**
 - **State Tax Hiring Credits**
 - **State Tax Credits for Purchase of Equipment**
 - **Fifteen Year Net Operating Loss Carryover**
 - **Accelerated Expense Deductions**
 - **5 Year No Interest Development Fee Deferral**
 - **21 Day Permit Fast Tracking**



BIZ

- **How It Works**
 - **Hiring Tax Credits Are Claimed by Business For New Hires**
 - **Business Will Save Over \$37,000 in Tax Credits Over a 5 Year Period**
 - **There Is No Limit to the Number of Employees That a Business May Claim**



BIZ

- **How Do Hire Candidates Qualify?**
 - **One of 13 Criteria as Shown On the Prescreening Form Such As:**
 - American Indian
 - WIA Registered Client
 - Receiving UI
 - Military Veteran
 - Ex-Offender
 - Public Assistance
- OR**
- **Live in the Zone and Work In the Zone**



Coming Soon to a PPT Near You...

**Watch This Space for
Information Regarding
Sequoia Valley Enterprise Zone
Premiering in Tulare County and
Open to All Business Sectors
Fall, 2010**