

Eye on Washington Regulatory Update

IRS Updates Guidance on WOTC pre-screening and certification

IRS highlights that WOTC screening must occur "on or before the date a job offer is made."

On September 19, 2022, the Internal Revenue Service issued [IR-2022-159](#) providing updated information on the Work Opportunity Tax Credit (WOTC) pre-screening and certification process, including the timing of applicant screening.

The Details:

The new IRS update highlights that both the employer and job applicant are required to complete a Form 8850: Pre-Screening Notice and Certification Request for the Work Opportunity Credit *on or before the date a job offer is made*.

Once a job applicant has been pre-screened, employers are required to submit the Form 8850 to the appropriate state workforce agency no later than 28 days after the employee's first day of work.

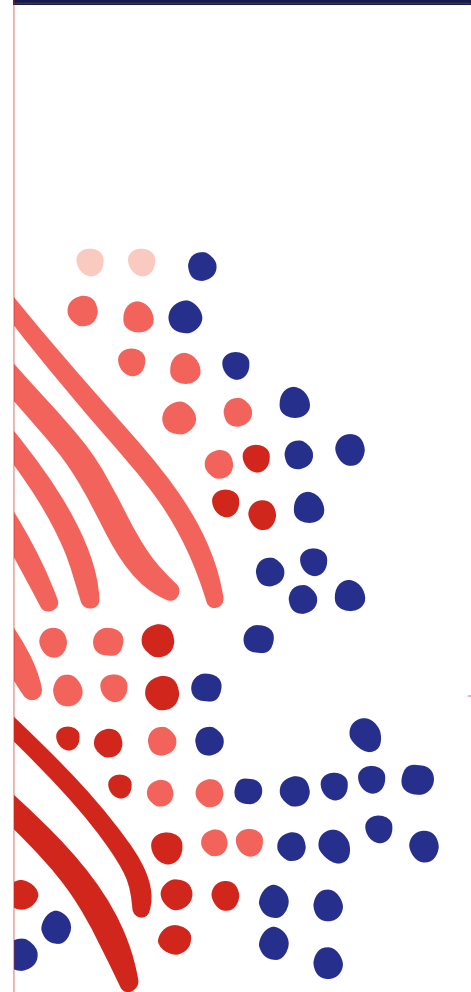
Previous guidance under the Targeted Jobs Tax Credit (TJTC), which preceded WOTC, did not contain a pre-screening requirement – all identification of TJTC eligible hires was done on the first day of work. When Congress enacted the WOTC in 1996, replacing the TJTC, they included the requirement that employers pre-screen applicants on or before the day a job offer is made to provide an incentive for employers to hire and retain certain categories of workers who have historically faced some type of barrier to employment.

To align with the fundamental purpose of the program and intent of Congress that employers should be aware of WOTC eligibility before any hiring decision is made, including contingent or conditional job offers, ensure your processes are aligned with screening "on or before the date of job offer."

The Work Opportunity Tax Credit program was designed to provide an incentive for employers to consider job applicants from targeted groups. Targeted groups include former felons, vocational rehabilitation referrals, Summer Youth program participants, and recipients of Supplemental Nutrition Assistance Program (SNAP) Supplemental Security Income (SSI), or long-term Unemployment benefits, among others.

Next Steps:

- Read the [full IRS Update](#)



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