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**Media Contact:** Dawn Dovre, 605.773.3094

## **Employers continue to benefit from tax credit program**

**PIERRE, S.D.** – The South Dakota Department of Labor (DOL) has announced the Work Opportunity Tax Credit (WOTC) program will continue to provide employers tax credit opportunities. The program is authorized by Congress to operate through August 31, 2011.

The WOTC program provides employers federal tax credits as an incentive for hiring employees from select targeted groups. “Individuals from these groups usually are experiencing a high level of unemployment due to a variety of employment barriers,” said Secretary of Labor Pam Roberts. “WOTC helps out these job seekers by providing them a better chance at job opportunities and benefits the employer by providing the tax credit.”

During fiscal year 2008, DOL staff certified 2,648 applications. Through these certifications, South Dakota employers received \$6,355,200 in tax credits. Over the last seven years, South Dakota employers have received \$21,331,200 in tax credits.

The WOTC program extension was part of the Small Business and Work Opportunity Tax Act of 2007 which included several program enhancements:

- A new zone titled “rural renewal county” was defined as any county outside a metropolitan statistical area and during the five-year periods from 1990 to 1994 and 1995 to 1999 had a net population loss. This includes 24 South Dakota counties.
- The “high-risk youth” category was re-named “designated community residents.”
- The “veteran” category was expanded to include veterans entitled to compensation for a service-connected disability who:
  1. Were hired within one year of being discharged or released from active duty, or
  2. Who have been unemployed any six of the last 12 months.
- The wage base for the “veteran” category increased from \$6,000 to \$12,000.

DOL administers the WOTC program by collecting applications, verifying target group status and issuing an employer certificate for IRS purposes. For more information on the WOTC program or other workforce services, contact any DOL local office or visit [www.sdjobs.org](http://www.sdjobs.org).