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Employer Tax Credits – Federal and State

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- **Work Opportunity Tax credit (WOTC) – Federal**

- WOTC is a federal tax credit available to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment
- WOTC joins other workforce programs that incentivize workplace diversity and facilitate access to good jobs for American workers.
- The tax credit can allow business customers to reduce their federal income tax liability between \$2,400.-\$9,600. Per employee hired per year.
- All SEEC job seekers qualify for WOTC, which is intended to enhance employment opportunities for people with disabilities.
- Non-profit businesses are excluded from the WOTC incentive.

*Maryland businesses can apply online to request the WOTC through the DLLR website: <https://www.dllr.state.md.us/employment/wotc.shtml>

- **Architectural/Transportation Tax Deduction & Disabled Access Tax Credits**

- Any business is eligible for the deduction to remove barriers in buildings or transport vehicles and can take up to \$15,000. Deduction per year
- Small businesses with 30 or fewer employees or revenue below \$1 million are eligible

- **Maryland Disability Employment Tax Credit (MDETC) - State**

- For each taxable year a credit is allowed in an amount equal to 30% of up to the first \$9,000. of wages paid during the first year and 30% of up to the first \$9,000. of wages paid during the second year of employment. This equates to a maximum credit of \$2,700. each of the first two years of employment (\$5,400.)
- Also, under MDETC, employers can benefit from a tax credit for work-related childcare or transportation expenses paid by the employer. A credit of up to \$900. of the qualified childcare or transportation expenses incurred during each of the first two years of employment is available.
- Individuals with disabilities who have been certified by the Maryland State Department of Education, Division of Rehabilitation Services (DORS) as having met established criteria qualify for the MDETC. DORS has also delegated certification authority to the Behavioral Health Administration (BHA), Developmental Disabilities Administration (DDA) and the Veterans Administration (VA) for individuals with disabilities receiving services by those agencies.
- Each business tax situation is different.
- More information: <https://dors.maryland.gov/business/Pages/tax.aspx>