

<b>EMPLOYMENT AND TRAINING ADMINISTRATION          ADVISORY SYSTEM          U.S. DEPARTMENT OF LABOR          Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> WOTC
	<b>CORRESPONDENCE SYMBOL</b> OWI
	<b>DATE</b> February 19, 2009

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 11-08

**TO:** ALL STATE WORKFORCE AGENCIES  
 ALL STATE WORKFORCE LIAISONS  
 ALL REGIONAL WOTC COORDINATORS

**FROM:** DOUGLAS F. SMALL /s/  
 Deputy Assistant Secretary

**SUBJECT:** Extension of the Information Collection for the Consolidated Work Opportunity Tax Credit (WOTC) Program: Revised Reporting and Processing Forms

1. **Purpose.** The purpose of this guidance is to announce receipt of the Office of Management and Budget (OMB) approval of the reporting and administrative forms for the consolidated WOTC Program and transmit the newly revised forms and on-line reporting instructions.
2. **References.** Small Business and Work Opportunity Tax Credit Act of 2007 (Public Law 110-28); Tax Relief and Health Care Act of 2006 (Public Law 109-432); Working Families Tax Relief Act of 2004 (Public Law 108-311); Job Creation and Worker Assistance Act of 2002 (Public Law 107-147); Paperwork Reduction Act of 1995; Internal Revenue Code of 1986, Section 51, as amended; Training and Employment Guidance Letter (TEGL) No. 19-05, dated March 7, 2006; TEGL No. 05-07, *Reauthorization of the Work Opportunity Tax Credit and Other Program Changes*, dated September 11, 2007; TEGL No. 20-06, *Reauthorization of the Work Opportunity Tax Credit and Other Program Changes*, dated April 3, 2007; TEGL No. 19-07, *New Streamlined Reporting Requirements and Extension of the Information Collection for the Work Opportunity and Welfare-to-Work Tax Credits*, dated March 7, 2007; ETA Handbook No. 408, November 2002, Third Edition (the Handbook); and the Revised Version of the May 2005, Addendum to the Handbook

<b>RESCISSIONS</b> NONE	<b>EXPIRATION DATE:</b> Continuing
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- 3. Background.** Legislation enacted in late 2006 and early 2007, reauthorized, amended, and expanded the WOTC Program. As a result, the Individual Characteristics Form, all administrative and processing forms, and related program materials have been revised to reflect the legislative changes.

On December 20, 2006, the *Tax Relief and Health Care Act of 2006* (P.L. 109-432) was signed into law. This Act extended the WOTC Program for a two-year period through December 31, 2007, effective retroactively to January 1, 2006, and merged the Welfare-to-Work Tax Credit (WtWTC) into WOTC. This Act introduced certain statutory amendments and new provisions with respect to individuals who begin work for an employer on or after January 1, 2007. For additional information, see TEGL No. 20-06, dated April 3, 2007.

On May 25, 2007, the *Small Business and Work Opportunity Tax Act of 2007* (P.L. 110-28) was signed into law. This Act extends the WOTC Program through August 31, 2011. This Act and the *Tax Relief and Health Care Act of 2006* (P.L. 109-432) amend certain target groups and introduced new provisions that streamline the WOTC program and make it easier for the business sector to participate. For additional information, see TEGL No. 5-07, dated September 11, 2007.

To address the changes and new provisions introduced by these two pieces of legislations, ETA updated the WOTC administrative and processing forms and other program related materials, and developed a modified automated reporting system and procedure. On September 6 and 7, 2007, ETA provided to the regions and the states a two-session training Webinar on the new reporting requirements. These two training Webinars are archived and can be accessed by visiting the Workforce3One Web site at: <http://www.workforce3one.org> and searching for WOTC.

The revised and updated forms and program materials have received OMB approval through November 30, 2011 (see section 5, below). The approval covers annual planning, reporting, and record-keeping burdens for Report 1 – *Certification Workload and Characteristics of Certified Individuals* (ETA Form 9058). Also, OMB’s data collection approval includes ETA Forms 9061– 9063, 9065, 9057, and 9059. The revised forms incorporate the latest amendments and provisions introduced by P.L. 110-28 for new hires who begin to work for an employer after May 25, 2007.

- 4. Reporting Instructions and Clarifications.** All four administrative and reporting forms have been revised and updated to reflect the changes and new provisions introduced by Public Laws 110-28 and 109-432. The following reporting and administrative forms are all required forms: ETA Form 9058 – Report 1, *Certification Workload and Characteristics of Certified Individuals*; ETA Form 9061 – *Individual Characteristics Form (ICF)*; ETA Form 9062 – *Conditional Certification*; and ETA Form 9063 – *Employer Certification (Optional Format)*. The remaining former reporting and processing forms have also been cleared by OMB, but as ETA indicated in TEGL

No. 19-05, dated March 7, 2006, these forms are for internal use by the state workforce agencies (SWAs) as follows: ETA Form 9057 – *Conditional Certifications Issued Summary Worksheet*; ETA Form 9059 – *Verification Results Audit Worksheet*; and ETA Form 9065 – *Declaration of Verification Results Audit Summary Worksheet*.

The instructions to each form have also been updated. ETA Form 9061 – *Individual Characteristics Form (ICF), Work Opportunity Tax Credit Program* has been revised to accommodate all the new changes and provisions and reformatted in a user-friendly and easy-to-use style. Comments received during the Federal Register Notice comment period, which expired on March 10, 2008, were considered and incorporated.

Termination of Previous Transition Period. Please note that due to the legislative changes in 2006 and 2007, ETA Form 9061 was revised twice: first in December 2006 (expiration August 2009); and again in May 2007 (expiration April 2008). When the second revision received emergency OMB approval, ETA provided a transition period that allowed continued use of the December 2006 version of the ETA Form 9061 for the target categories it lists. This transition period ends two weeks from the date of issuance of this TEGL. Since the transition period ends two weeks from the date of issuance of this TEGL, employers are required to start using the OMB-approved ETA Form 9061 as soon as the two-week transition period ends. After this date, other versions of ETA Form 9061 are not to be accepted by the SWAs. Previously filed requests for certification that are part of a state's backlog do not have to be resubmitted on the new form.

Internal Revenue Service (IRS) Clarification for Use of Form W-4. Recently, questions regarding the use of IRS Form W-4 as documentary evidence to prove residential address for potential members of the Summer Youth and Designated Community Resident target groups were brought to ETA's attention. To clarify, employers seeking certification requests for potential members of these two WOTC target groups may continue to use IRS Form W-4 as documentation to show that the applicant resides in an Empowerment Zone, Enterprise Community, or Renewal Community. SWAs are instructed to: 1) continue to accept this form as valid documentation to prove the address where these applicants reside; and 2) revisit and honor any certification requests denied on the basis of a rejected IRS Form W-4.

Electronic Reporting Process. With the 2002 implementation of the Internet-based Tax Credit Reporting System (TCRS), through ETA's Enterprise Business Support System (EBSS), SWAs have sole control over data entry. Passwords have been assigned to each state coordinator that permit them access to the appropriate screens for the quarterly TCRS report, ETA Form 9058 – Report 1. Personal Identification Numbers (PINs) have been assigned to the regional coordinators granting them access to review each state's quarterly report and issue the final report certification.

New regional and state coordinators in need of passwords and PINs should contact Carmen Ortiz at [ortiz.carmen@dol.gov](mailto:ortiz.carmen@dol.gov).

Since many states have backlogs and are expected to continue processing all WOTC and WtWTC timely filed and eligible certification requests, the EBSS WOTC TCRS contains a modified ETA Form 9058 – Report 1 to facilitate the reporting phase-out period of all WtWTC program data. The modified report permits states to, on a quarterly basis, report the following: 1) WOTC and WtWTC program data for individuals who began to work for an employer after December 31, 2005, and prior to January 1, 2007; and 2) data for the *consolidated* WOTC for individuals who began to work for an employer after December 31, 2006, in the same report. *The phase out period during which WOTC and, specifically, all WtWTC program data must have been reported using the modified ETA Form 9058, ended on September 30, 2007.*

5. **Reporting Authority.** Reporting, program administration and processing forms, and all other program related materials for the consolidated WOTC Program are approved according to the Paperwork Reduction Act of 1995, under OMB No. 1205-0371. This authority is effective through November 30, 2011.
6. **Action Requested.** SWA administrators are requested to provide this TEGL to all WOTC State Coordinators and ensure they comply with the revised reporting requirements, the guidance provided, and share this information with the private sector businesses and their representatives and all other Federal and state partners.
7. **Inquiries.** Direct all questions to the appropriate Regional WOTC Coordinator.
8. **Attachments.** The updated modified version of ETA Form 9058 and the updated *User's Guide* for the EBSS WOTC TCRS, which incorporates changes from Public Laws 110-28 and 109-432, all other updated administrative and processing forms, and other WOTC program related materials are available through the Internet at: [www.doleta.gov/business/Incentives/opptax](http://www.doleta.gov/business/Incentives/opptax).