

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC/WtWTC
	CORRESPONDENCE SYMBOL OWI
	DATE March 7, 2006

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 19-05

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS

FROM: EMILY STOVER DeROCCO 
Assistant Secretary

SUBJECT: New Reporting Requirements and Extension of the Information Collection for the Work Opportunity Tax Credit (WOTC) and Welfare-to-Work Tax Credit (WtWTC) Program

1. **Purpose:** To announce the new streamlined reporting requirements and burden; transmit the revised Reporting User's Guide and the May 2005, Addendum to the November 2002, Third Edition, of ETA Handbook 408; and announce receipt of Office of Management and Budget (OMB) approval for the continued collection and submission of WOTC and WtWTC program reports, administrative forms, and use of other program related materials.
2. **References:** The Paperwork Reduction Act of 1995; Working Families Tax Relief Act of 2004 (P.L. 108-311); Job Creation and Worker Assistance Act of 2002 (P.L. 107-147); Internal Revenue Code of 1986, Sections 51 and 51A, as amended; and Employment and Training Administration (ETA) Handbook No. 408, Third Edition, November 2002.
3. **Background:** OMB authorization for the continued data collection of WOTC/WtWTC quarterly workload reporting and administrative forms expired on June 30, 2005. The Employment and Training Administration requested and received an extension from OMB for July 1, 2005, through June 30, 2006.

The OMB approval covers annual planning, the reporting and record-keeping burden, the quarterly Certification Workload and Characteristics of Certified Individuals Report (ETA Form 9058), and reporting via the Tax Credit Reporting System (TCRS) of the Enterprise Business Services System (EBSS). EBSS has replaced the Enterprise Information Management System (EIMS) for ETA reporting and data collection. The OMB data collection approval also includes the following WOTC and WtWTC program

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administrative and processing forms:

- a. Conditional Certifications Issued Summary Worksheet (ETA Form 9057) (for state internal use)
 - b. Verification Results Audit Summary Worksheet (ETA Form 9059) (for state internal use)
 - c. Individual Characteristics Form (ETA Form 9061)
 - d. Conditional Certification Form (ETA Form 9062)
 - e. Employer Certification Form (ETA Form 9063) (Optional)
 - f. Verification Results Audit Summary Worksheet (ETA Form 9065) (for state internal use)
4. **Information:** The Employment and Training Administration is committed to enhanced accountability through continued program streamlining and less burdensome reporting. To this end, WOTC reporting has been improved through:
- a. A reduction in the number of ETA required quarterly reports from three to one;
 - b. A conversion of ETA Form 9057 - Report 1 and ETA Form 9059 - Report 3 into "Summary Worksheets" that state workforce agencies should use as part of their internal program administration; and
 - c. A revision of the electronic Enterprise Business Services System (EBSS) for the Tax Credit Reporting System (TCRS) and the newly revised User's Guide.

Detailed Summary of Streamlining Efforts -

- (1) Report Streamlining and Technical Updates: In an effort to reduce paperwork and the reporting burden on states, ETA has reduced the annual plan requirements and decreased the quarterly burden for reporting. To accomplish this burden reduction, the number of quarterly reports has been reduced from three to one. The only remaining quarterly report has been retitled as the "Certification Workload and Characteristics of Certified Individuals Report" (ETA Form 9058). Both the ETA Form 9057 and ETA Form 9059 (previously Reports 1 and 3) have been converted to summary worksheets that states may use to assist program administration efforts.

In addition, all of the forms have been revised and updated to reflect legislative changes. The updates and changes are included in the attached addendum to the November 2002, Third Edition of ETA Handbook No. 408. The addendum, dated May 2005, contains the revised reporting forms with updated instructions, and additional state program guidance that is based on the most recent updates and clarifications released by the Internal Revenue Service (IRS), the Social Security Administration (SSA), and the Department of Housing and Urban Development (HUD).

As in the past, ETA Forms 9061 and 9062 are required to be used without modification by participating businesses, their consultants, and the job applicants where required. State workforce agencies have the option to use ETA's suggested designs or to change the design of ETA Forms 9057, 9059, 9063, and 9065. However, states electing not to use ETA's suggested form designs must assure that the forms include all of the content and information contained in the original forms. For additional guidance on the reporting and program administration forms, consult the attached May 2005, Addendum to the November 2002, Third Edition of ETA Handbook No. 408. The ETA Handbook No. 408, Third Edition, November 2002, and all other WOTC/WtWTC program related materials and program outreach brochure are available at: www.us.es.doleta.gov/tax.asp

- (2) **O*NET Based Reporting:** The occupational data reported by the state workforce agencies in the quarterly Certification Workload and Characteristics of Certified Individuals Report (ETA Form 9058) is now solely based on the Standard Occupation Classification (SOC) system utilized by O*NET. Use of the Dictionary of Occupational Title (DOT) Codes was discontinued officially effective January 1, 2004. Pages VIII-21 through 22 of the ETA Handbook No. 408, Third Edition, November 2002, specifically state that "...effective the date of any future tax credits reauthorizing legislation (i.e., after December 31, 2003), only the O*NET families of occupations and their two-digit codes should be reported."

The addendum report issued for ETA Form 9058 has been discontinued and the data fields for O*NET occupational codes have been added to the revised report. Quarterly reporting using DOT codes is to be discontinued as of the report to be submitted for the quarter ending March 31, 2006.

5. **OMB Approval:** The reporting and program administration and processing requirements for the WOTC and WtWTC are approved by OMB according to the Paperwork Reduction Act of 1995, under OMB No. 1205-0371. This approval now expires on June 30, 2006.
6. **Action Required:** State workforce agency administrators should provide this information to appropriate program staff, businesses and their consultants, participating agencies, and other interested partners.
7. **Inquiries:** Direct all questions to the appropriate Regional WOTC/WtWTC Coordinator.
8. **Attachments:**
- A. May 2005, Addendum
 - B. TCRS User's Guide.