

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC
	CORRESPONDENCE SYMBOL OWI
	DATE April 29, 2016

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 20-15

TO: STATE WORKFORCE ADMINISTRATORS
 STATE WORKFORCE AGENCIES
 STATE WORKFORCE LIAISONS

FROM: PORTIA WU /s/
 Assistant Secretary

SUBJECT: Work Opportunity Tax Credit Funding Allotments for Fiscal Year 2016

1. **Purpose.** To provide the State Workforce Agencies (SWAs) with final funding allotments for the remainder of Fiscal Year 2016 for the administration of the Work Opportunity Tax Credit (WOTC) program.

2. **References.**

- Consolidated Appropriations Act, 2016 (Pub. L. 114-113);
- Sections 119 and 139 of the Tax Increase Prevention Act of 2014 (Pub. L. 113-295);
- Sections 309 and 327 of the American Taxpayer Relief Act of 2012 (Pub. L. 112-40);
- Section 261 of the VOW to Hire Heroes Act of 2011 (Pub. L. 112-56);
- Section 51 of the Internal Revenue Code of 1986, as amended;
- Wagner-Peyser Act, Section 7;
- Training and Employment Guidance Letter (TEGL) No.21-14, Work Opportunity Tax Credit (WOTC) Funding Allotments for Fiscal Year (FY) 2015 (March 17, 2015);
- ETA Handbook No. 408, November 2002, Third Edition (the Handbook);
- August 2009 Addendum to Handbook 408.

3. **Background.** On December 18, 2015, President Obama signed into law the Protecting Americans from Tax Hikes Act of 2015 (the PATH Act), which retroactively reauthorizes the WOTC program for a 5-year period, after December 31, 2014 to December 31, 2019. Also, on December 18, 2015, the Consolidated Appropriations Act, 2016 (Pub. L. 114-113) was signed into law, which provides Department of Labor funding appropriations for the remainder of FY 2016.

4. **Funding.** ETA is now issuing the balance of FY 2016 funding in the amount of \$14,856,665 to the SWAs for the implementation of WOTC program activities through September 30, 2016. The appropriated level for FY 2016 totals \$18,485,000.

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

After allocating \$20,000 for the Virgin Islands, ETA distributes the remaining funds to the states by administrative formula with a \$66,000 minimum allotment. No states receive an allotment below 95 percent or more than 120 percent of the allotment share percentage it received in FY 2015. For FY 2016, the formula allotment data factors and percentages are as follows:

- 1) Fifty percent is based on each state's relative share of total certifications issued from October 1, 2014 through September 30, 2015 for the WOTC Program;
- 2) Thirty percent is based on each state's relative share of the Civilian Labor Force averages for the 12-month period from October 1, 2014 through September 30, 2015;
- 3) Twenty percent is based on each state's relative share of adult recipients of Temporary Assistance to Needy Families averages from October 1, 2013 through September 30, 2014.

The table in Attachment I is divided into three columns. The first column shows the full FY 2016 allotments by state; the second column shows the funding sent to the SWAs from the Continuing Resolution for the period October 1, 2015 through December 11, 2015; and the third column shows the final distribution of the balance of FY 2016 WOTC funds allotted by state.

5. **General Administration.** With these funds, SWAs are responsible for administering the WOTC program, including the certification process, promoting the program to employers, reducing and eliminating existing backlogs, and reporting program data on a quarterly basis. In addition, SWAs must administer the WOTC in accordance with the policies and procedural guidance set forth in the November 2002, Third Edition of ET Handbook 408 (the Handbook); the August 2009 Addendum to the Handbook; Section 51 of the Internal Revenue Code of 1986, as amended; and the current Federal regulations which cover the job service complaint procedures at 20 CFR 658.400.

6. **Action Requested.** Please provide this TEGl to all WOTC State Coordinators and related program staff, participating agencies and all other interested partners.

7. **Inquiries.** Please direct all questions to the appropriate Regional WOTC Coordinator, listed on the WOTC program Web site at:
http://www.doleta.gov/business/incentives/opptax/Regional_Contacts.cfm.

8. **Attachments.**

- Attachment I. Work Opportunity Tax Credits FY 2016 State Allotments and Balance after Dissemination to States under Continuing Resolutions (CR) 1
- Attachment II. Work Opportunity Tax Credit (WOTC) Program Statement of Work