

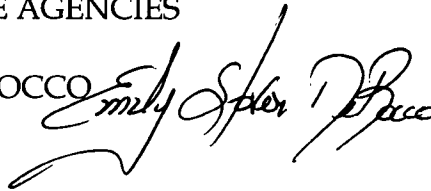
**TRAINING AND EMPLOYMENT
NOTICE**

NO. 19-05

DATE January 31, 2006

TO: STATE WORKFORCE LIAISONS
STATE WORKFORCE AGENCIES

FROM: EMILY STOVER DeROCCO
Assistant Secretary



SUBJECT: Internal Revenue Service (IRS) "Relief Period" Granted to Work
Opportunity and Welfare-to-Work Tax Credits Employer Certification
Requests Affected by Hurricanes Katrina and Rita

1. **Purpose.** To inform the state workforce agencies (SWAs) of special filing "relief periods" for Work Opportunity/Welfare-to-Work Tax Credits (WOTC/WtWTC) certification requests in Presidentially Declared Disaster Areas.
2. **References.** Internal Revenue Service, Revenue Procedure 2005-27, 2005-20 I.R.B. 1050; TEGL No. 30-04, dated April 22, 2005; the Working Families Tax Relief Act of 2004 (P.L. 108-311); Internal Revenue Code of 1986, Sections 51, 51A, and 7508A, as amended; 26 CFR 301.7508A-1; and ETA Handbook No. 408, Third Edition, November 2002.
3. **Background.** Section 7508A of the Internal Revenue Code (26 U.S.C. 7508A) permits the IRS to grant a postponement of deadlines to perform specified acts for taxpayers affected by a Presidentially Declared Disaster.

Revenue Procedure 2005-27 provides an updated list of time-sensitive acts, the performance of which may be postponed under section 7508A. Section 15.12 of Revenue Procedure 2005-27 lists the following act related to the WOTC and WtWTC Program as one that can be postponed under 26 U.S.C. 7508A:

"Sec. 51(d)(12)(A)(ii)(II) and 51A(d)(1) -- An employer seeking the WOTC or the WtWTC with respect to an individual must submit Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity and Welfare-to-Work Credits, to the state employment security agency not later than the 21st day after the individual begins work..."

Postponements are not automatically available if a disaster occurs. The IRS publishes a notice or news release pertaining to a specific disaster authorizing a postponement for a specified period for “affected taxpayers.”

An “affected taxpayer” is any business entity or sole proprietor whose principal place of business is located in a covered disaster area, and any business entity or sole proprietor whose principal place of business is not located in a covered disaster area, but whose records that are necessary to meet a deadline for a covered act are maintained in a covered disaster area. A “covered disaster area” is a Presidentially declared disaster area to which the IRS has determined this extension authority applies.

4. **Information.** On September 21, 2005, the IRS issued Notice 2005-73 (available at www.irs.gov), which summarizes and clarifies relief previously granted by the IRS with respect to taxpayers affected by Hurricane Katrina. On September 26, 2005, the IRS issued news release IR-2005-110, also available at their Web site, announcing a relief for taxpayers affected by Hurricane Rita.

Affected taxpayers described in Notice 2005-73 are permitted to postpone until February 28, 2006, the filing of IRS Forms 8850 that were due on or after August 29, 2005 (August 24, 2005, for Florida affected taxpayers) and on or before February 28, 2006. This Notice includes a list of the affected counties in Texas and Louisiana.

Affected taxpayers, described in IR-2005-110, are permitted to postpone until February 28, 2006, the filing of IRS Forms 8850 that were due on or after September 23, 2005, and on or before February 28, 2006.

Affected taxpayers should mark the top margin of IRS Form 8850 in red with “Hurricane Katrina” or “Hurricane Rita,” as appropriate. This practice will facilitate the work of the state workforce agencies.

For IRS updates on Hurricanes Katrina and Rita and for information regarding other disasters, go to www.irs.gov.

5. **Guidance to State Workforce Agencies (SWAs).** For all applicable deadlines, a timely postmark or equivalent from a private delivery service serves as sufficient evidence of timely filing if the SWA receives the IRS Form 8850 after the postponed deadline. For a list of acceptable private delivery services for purposes of submitting IRS Form 8850 to the SWA, see Notice 2001-62.
6. **Action.** Recipients are requested to distribute this TEN, with the attachments, to all WOTC State Coordinators, related program staff, employers and consultants, and other interested partners.

7. **Inquiries.** Questions concerning this TEN should be directed to the WOTC Regional Coordinators.

8. **Attachments.**
 - A. Notice 2005-73, dated September 21, 2005,
<http://www.irs.gov/pub/irs-drop/n-05-73.pdf>, and

 - B. IR-2005-110, dated September 26, 2005,
<http://www.irs.gov/newsroom/article/0,,id=148540,00.html>