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Guidance on How to Claim Expanded Veterans Tax Credit Certification Requirements Streamlined

Employers will have more time to file the required certification form for employees hired on or after November 22, 2011, and before May 22, 2012. The VOW to Hire Heroes Act of 2011, enacted Nov. 21, 2011, provides an expanded Work Opportunity Tax Credit (WOTC) to businesses that hire eligible unemployed veterans and for the first time also makes the credit available to certain tax-exempt organizations.

The credit can be as high as \$9,600 per veteran for for-profit employers or up to \$6,240 for tax-exempt organizations. The amount of the credit depends on a number of factors, including the length of the veteran's unemployment before hire, hours a veteran works and the amount of first-year wages paid. Employers who hire veterans with service-related disabilities may be eligible for the maximum credit.

Normally, an eligible employer must file Form 8850 with the state workforce agency within 28 days after the eligible worker begins work. But according to today's guidance, employers have until June 19, 2012, to complete and file this newly-revised form for veterans hired on or after Nov. 22, 2011, and before May 22, 2012. The 28-day rule will again apply to eligible veterans hired on or after May 22, 2012.

The guidance confirms that employers can transmit Form 8850 electronically, and also allows employers to transmit Form 8850 via fax, with the use of electronic signatures subject to the ability of the state workforce agencies to accept submissions in those formats. The IRS expects the Department of Labor to issue further guidance to the state workforce agencies providing further clarification.

[Notice 2012-13](#), posted today on IRS.gov, and the [instructions](#) for [Form 8850](#) provide further details. Businesses claim the credit on their income tax return. The credit is first figured on [Form 5884](#) and then becomes a part of the general business credit claimed on [Form 3800](#). This credit is also available to certain tax-exempt organizations by filing [Form 5884-C](#). The guidance released today also provides instructions and a new set of forms for tax-exempt organizations to claim the credit. [For more information, including how to claim the credit, go to IRS.gov.](#)

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