OLR Bill Analysis
sSB 360

AN ACT CONCERNING THE PROCESSING OF WORK OPPORTUNITY TAX CREDIT APPLICATIONS.

SUMMARY

This bill requires the state Department of Labor (DOL) to meet annual requirements for processing Work Opportunity Tax Credit (WOTC) applications. The WOTC is a federal tax credit that DOL administers in Connecticut. Under the WOTC, employers can claim a credit for hiring certain individuals including Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) recipients, qualified veterans, and ex-felons, among others (see BACKGROUND).

Under the bill, DOL must process a certain percentage of the WOTC applications submitted and in its possession as shown in Table 1.

Table 1: DOL Deadlines for Processing WOTC Applications

<table>
<thead>
<tr>
<th>Deadline</th>
<th>% of Applications Processed</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/20</td>
<td>40%</td>
</tr>
<tr>
<td>7/1/21</td>
<td>60</td>
</tr>
<tr>
<td>7/1/22</td>
<td>80</td>
</tr>
<tr>
<td>7/1/23</td>
<td>100</td>
</tr>
</tbody>
</table>

The bill requires DOL, by July 1, 2020, to pursue an electronic method to receive and process WOTC applications. The method must include the ability to electronically receive or access information held by other relevant state agencies.
EFFECTIVE DATE: July 1, 2019

BACKGROUND

WOTC

To claim the WOTC, the employer must send required forms to the state’s WOTC coordinator within 28 days after the new hire starts working. DOL must verify that the individual is a member of an eligible group and notify the employer when and if the application is certified. Once the new hire is certified, the employer may claim the WOTC as part of the federal General Business Credit. States receive grants from the U.S. Department of Labor for administrative costs of processing WOTC applications.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea  14    Nay  0    (03/19/2019)