General Instructions
Section references are to the Internal Revenue Code unless otherwise noted.

What's New
- For certain veterans who begin work after November 21, 2011, and before 2013, the qualified veteran targeted group has been expanded to cover veterans who were unemployed for at least 4 weeks during the 1-year period ending on the hiring date.
- The Hurricane Katrina employee targeted group expired for individuals hired after August 27, 2009.
- The unemployed veteran and disconnected youth targeted groups expired for individuals hired after 2010.
- The empowerment zone designations were extended until the end of 2011.
- The renewal community designations expired at the end of 2009.
- Some states may be equipped to accept a faxed copy of Form 8850 and additional states are equipped to receive Form 8850 electronically.
- The IRS has created a page on IRS.gov for information about Form 8850 and its instructions at www.irs.gov/form8850. Information about any future developments affecting Form 8850 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form
Employers use Form 8850 to pre-screen and to make a written request to their state workforce agency (SWA) to certify an individual as a member of a targeted group for purposes of qualifying for the work opportunity credit.

Submitting Form 8850 to the SWA is but one step in the process of qualifying for the work opportunity credit. The state work opportunity tax credit (WOTC) coordinator for the SWA must certify the job applicant is a member of a targeted group. After starting work, the employee must meet the minimum number-of-hours-worked requirement for the work opportunity credit. Generally, an employer elects to take the credit by filing Form 5884, Work Opportunity Credit. However, a tax-exempt organization that hires a qualified veteran should report the work opportunity credit on Form 5884-C, Work Opportunity Credit for Qualified Tax-Exempt Organizations Hiring Qualified Veterans.

Who Should Complete and Sign the Form
The job applicant gives information to the employer on or before the day a job offer is made. This information is entered on Form 8850. Based on the applicant’s information, the employer determines whether or not he or she believes the applicant is a member of a targeted group (as defined under Members of Targeted Groups). If the employer believes the applicant is a member of a targeted group, the employer completes the rest of the form no later than the day the job offer is made. Both the job applicant and the employer must sign Form 8850 no later than the date for submitting the form to the SWA.

Instructions for Employer
When and Where To File
Do not file Form 8850 with the Internal Revenue Service. Instead, file it with your SWA no later than the 28th day after the job applicant begins work for you (by June 19, 2012, for all qualified veterans who begin work after November 21, 2011, and before May 22, 2012).

Although facsimile filing of Form 8850 is permitted, not all states are equipped to accept a facsimile copy of Form 8850. Contact your state WOTC coordinator as discussed below and see Notice 2012-13 for details. Notice 2012-13 is available at www.irs.gov/pub/irs-drb/n-12-13.pdf.

Although electronic filing of Form 8850 is permitted, at the time these instructions were published, only the following states are equipped to receive Form 8850 electronically: Alabama, Arizona, Arkansas, Colorado, Florida, Illinois, Kansas, Kentucky, Minnesota, New Jersey, Ohio, Pennsylvania, and South Carolina. See Announcement 2002-44 and Notice 2012-13 for details. You can find Announcement 2002-44 on page 809 of Internal Revenue Bulletin 2002-17 at www.irs.gov/pub/irs-irb/irb02-17.pdf.

To get the name, address, phone and fax numbers, and email address of the WOTC coordinator for your state, visit the Department of Labor Employment and Training Administration (ETA) website at www.doleta.gov/business/incentives/opptax.

Never attach Form 8850 to a tax return or otherwise send it to the IRS, regardless of the employee’s targeted group. Form 8850 should be filed with the SWA.

Additional Requirements for Certification
In addition to filing Form 8850, you must complete and send to your state WOTC coordinator either:
- ETA Form 9062, Conditional Certification Form, if the job applicant received this form from a participating agency (e.g., the Jobs Corps), or
- ETA Form 9061, Individual Characteristics Form, if the job applicant did not receive a conditional certification.

You can get ETA Form 9061 from your local public employment service office or you can download it from the ETA website at www.doleta.gov/business/incentives/opptax.

Recordkeeping
Keep copies of Forms 8850, any transmittal letters that you submit to your state WOTC coordinator, and certification letters you receive from your WOTC coordinator as long as they may be needed for the administration of the provisions relating to the work opportunity credit. Records that support the credit usually must be kept for 3 years from the date any income tax return claiming the credit is due or filed, whichever is later.
Members of Targeted Groups

A job applicant may be certified as a member of a targeted group if he or she is described in one of the following groups.

1. Qualified IV-A recipient. An individual who is a member of a family receiving assistance under a state plan approved under part A of title IV of the Social Security Act relating to Temporary Assistance for Needy Families (TANF). The assistance must be received for any 18 months during the 18-month period ending on the hiring date.

2. Qualified veteran. A veteran who is any of the following.
   - A member of a family receiving assistance under the Supplemental Nutrition Assistance Program (SNAP) (food stamps) for at least a 3-month period during the 15-month period ending on the hiring date.
   - Unemployed for a period or periods totaling at least 4 weeks (whether or not consecutive) but less than 6 months in the 1-year period ending on the hiring date.
   - Unemployed for a period or periods totaling at least 6 months (whether or not consecutive) in the 1-year period ending on the hiring date.
   - Entitled to compensation for a service-connected disability and is hired not more than 1 year after being discharged or released from active duty in the U.S. Armed Forces.
   - Entitled to compensation for a service-connected disability and was unemployed for a period or periods totaling at least 6 months (whether or not consecutive) in the 1-year period ending on the hiring date.

3. Qualified ex-felon. An ex-felon who has been convicted of a felony under any federal or state law, and is hired not more than 1 year after the conviction or release from prison for that felony.

4. Designated community resident. An individual who is at least age 18 but not yet age 40 on the hiring date and lives within an empowerment zone or rural renewal county (defined later).

5. Vocational rehabilitation referral. An individual who has a physical or mental disability resulting in a substantial handicap to employment and who was referred to the employer upon completion of (or while receiving) rehabilitation services by a rehabilitation agency approved by the state, an employment network under the Ticket to Work program, or the Department of Veterans Affairs.

6. Summer youth employee. An individual who:
   - Performs services for the employer between May 1 and September 15.
   - Is at least age 16 but not yet age 18 on the hiring date (or if later, on May 1).
   - Has never worked for the employer before, and
   - Lives within an empowerment zone.

7. Recipient of SNAP benefits (food stamps). An individual who:
   - Is at least age 18 but not yet age 40 on the hiring date, and
   - Is a member of a family that:
     a. Has received SNAP benefits for the 6-month period ending on the hiring date, or
     b. Is no longer eligible for such assistance under section 6(o) of the Food Stamp Act of 1977, but the family received SNAP benefits for at least 3 months of the 5-month period ending on the hiring date.

8. SSI recipient. An individual who is receiving supplemental security income benefits under title XVI of the Social Security Act (including benefits of the type described in section 1616 of the Social Security Act or section 212 of Public Law 93-66) for any month ending during the 60-day period ending on the hiring date.

9. Long-term family assistance recipient. An individual who is a member of a family that:
   - Has received TANF payments for at least 18 consecutive months ending on the hiring date, or
   - Receives TANF payments for any 18 months (whether or not consecutive) beginning after August 5, 1997, and the earliest 18-month period beginning after August 5, 1997, ended during the past 2 years, or
   - Stopped being eligible for TANF payments because federal or state law limits the maximum period such assistance is payable and the individual is hired not more than 2 years after such eligibility ended.

Member of a Family

With respect to the qualified IV-A recipient, qualified veteran, recipient of SNAP benefits (food stamps), and long-term family assistance recipient, an individual whose family receives assistance for the requisite period meets the family assistance requirement of the applicable group if the individual is included on the grant (and thus receives assistance) for some portion of the specified period.

Empowerment Zones

The following paragraphs describe current designations of empowerment zones. The designations will generally remain in effect until the end of 2011.

Urban areas. Parts of the following urban areas are empowerment zones. You can find out if your business or an employee’s residence is located within an urban empowerment zone by using the EZ/RC Address Locator at www.hud.gov/crho/locator or by calling 1-800-998-9999.

- Pulaski County, AR
- Tucson, AZ
- Fresno, CA
- Los Angeles, CA (city and county)
- Santa Ana, CA
- New Haven, CT
- Jacksonville, FL
- Miami/Dade County, FL
- Chicago, IL
- Gary/Hammond/East Chicago, IN
- Boston, MA
- Baltimore, MD
- Detroit, MI
- Minneapolis, MN
- St. Louis, MO/East St. Louis, IL
- Cumberland County, NJ
- New York, NY
- Syracuse, NY
- Yonkers, NY
- Cincinnati, OH
- Cleveland, OH
- Columbus, OH
- Oklahoma City, OK
- Philadelphia, PA/Camden, NJ
- Columbia/Sumter, SC
- Knoxville, TN
- El Paso, TX
- San Antonio, TX
- Norfolk/Portsmouth, VA
- Huntington, WV/Ironton, OH

Rural areas. Parts of the following rural areas are empowerment zones. You can find out if your business or an employee’s residence is located within a rural empowerment zone by using the EZ/RC Address Locator at www.hud.gov/crlocator or by calling 1-800-998-9999.

- Desert Communities, CA (part of Riverside County)
- Southwest Georgia United, GA (part of Crisp County and all of Dooly County)
- Southernmost Illinois Delta, IL (parts of Alexander and Johnson Counties and all of Pulaski County)
- Kentucky Highlands, KY (part of Wayne County and all of Clinton and Jackson Counties)
- Aroostook County, ME (part of Aroostook County)
- Mid-Delta, MS (parts of Bolivar, Holmes, Humphreys, Leflore, Sunflower, and Washington Counties)
- Griggs-Steele, ND (part of Griggs County and all of Steele County)
- Oglala Sioux Tribe, SD (parts of Jackson and Bennett Counties and all of Shannon County)
- Middle Rio Grande FUTURO Communities, TX (parts of Dimmit, Maverick, Uvalde, and Zavala Counties)
- Rio Grande Valley, TX (parts of Cameron, Hidalgo, Starr, and Willacy Counties)

Rural Renewal Counties

A rural renewal county is a county in a rural area that lost population during the 5-year periods 1990 through 1994 and 1995 through 1999. Rural renewal counties are listed below.

Alabama. The counties of Butler, Dallas, Macon, Perry, Sumter, and Wilcox.

Alaska. The census areas of Aleutians West, Wrangell-Petersburg, and Yukon-Koyukuk.

Arkansas. The counties of Arkansas, Chicot, Clay, Desha, Jackson, Lafayette, Lee, Little River, Monroe, Nevada, Ouachita, Phillips, Union, and Woodruff.

Colorado. The counties of Cheyenne, Kiowa, and San Juan.

Georgia. The counties of Randolph and Stewart.


Indiana. Perry County.


Kentucky. The counties of Bell, Caldwell, Floyd, Harlan, Hickman, Leslie, Letcher, Pike, and Union.

Louisiana. The parishes of Bienville, Claiborne, Franklin, Jackson, Morehouse, St. Mary, Tensas, Vernon, and Webster.

Maine. The counties of Aroostook and Piscataquis.

Michigan. The counties of Gogebic, Marquette, and Ontonagon.

Minnesota. The counties of Big Stone, Chippewa, Cottonwood, Faribault, Jackson, Kittson, Koochiching, Lac Qui Parle, Lincoln, Marshall, Martin, Murray, Norman, Pipestone, Red Lake, Redwood, Renville, Stevens, Traverse, Wilkin, and Yellow Medicine.

Mississippi. The counties of Adams, Coahoma, Humphreys, Montgomery, Quitman, Sharkey, Tallahatchie, and Washington.

Missouri. The counties of Atchison, Carroll, Chariton, Clark, Holt, Knox, Mississippi, New Madrid, Pemiscot, and Worth.


New Hampshire. Coos County.

New Mexico. The counties of Harding and Quay.

New York. The counties of Clinton and Montgomery.

North Dakota. The counties of Adams, Barnes, Benson, Billings, Bottineau, Burke, Cavalier, Dickey, Divide, Dunn, Eddy, Emmons, Foster, Golden Valley, Grant, Griggs, Hettinger, Kidder, LaMoure, Logan, McHenry, McIntosh, McKenzie, McLean, Mercer, Mountrail, Nelson, Oliver, Pembina, Pierce, Ramsey, Ransom, Renville, Sargent, Sheridan, Slope, Stark, Steele, Stutsman, Towner, Traill, Walsh, Wells, and Williams.

Ohio. The counties of Crawford, Monroe, Paulding, Seneca, and Van Wert.

Oklahoma. The counties of Alfalfa, Beaver, Cimarron, Custer, Dewey, Ellis, Grant, Greer, Harmon, Harper, Kiowa, Major, Roger Mills, Seminole, Tillman, and Woodward.

Pennsylvania. The counties of Venango and Warren.

South Carolina. Marlboro County.


Virginia. The counties of Buchanan, Dickenson, Highland, and Lee and the independent cities of Clifton Forge, Covington, Norton, and Staunton.

West Virginia. The counties of Calhoun, Gilmer, Logan, McDowell, Mercer, Mingo, Summers, Tucker, Webster, Wetzel, and Wyoming.

Wyoming. The counties of Carbon and Niobrara.