

John L. White
WOTC Solutions, LLC
13030 W. 87th St. Pkwy , Ste. 101
Lenexa, KS 66215
888.313.5696
jwhite@wotcsolutions.com

Chairman Tiberi Announces Hearing on Certain Expiring Tax Provisions

Dear Chairman Tiberi and Members of the House Ways and Means Subcommittee on Select Tax Extenders:

The federal Work Opportunity Tax Credit (“WOTC”) is one of the few meaningful resources available to help the “hard to hire” WOTC target categories find productive work in today’s stubbornly harsh job environment. The purpose and history of WOTC has proven it to be an effective tool to move these workers from tax-*users* to tax-*payers*. In each of the WOTC target categories, it is hard to argue that the dignity and self-respect inherent in working benefits not only the worker, but in fact benefits our society at all levels. We ourselves are a small business, and we utilize the WOTC to help *other* small businesses to:

- **Help WOTC-eligible categories of workers find decent work, nationwide;**
- **Help employers that hire the “hard to hire” *actually obtain* the WOTC and thus be incentivized to hire *more*.**

WOTC has not yet been renewed for 2012, another victim of the current D.C. gridlock. The exception to this was certain categories of veterans which were added in late 2011. While clearly well-intentioned, this additional WOTC category created the requirement that all 50 state WOTC offices have to remain in place. It also requires funding to assist what will be a relatively small number of employers being helped with this tax. This situation portends to be a sad example of government inefficiency directly caused by Congressional inaction. Renewing WOTC enjoys broad support from large business and employer groups who use this tax break to hire from the “hard to hire” worker pool, particularly those hiring at the entry level. As things currently stand, we are hearing a constant stream of complaints from our (“job creating”) small business clients trying to make hiring decisions, and their accountants. This continued uncertainty adds to an already difficult business climate.

WOTC in 2012 is also a “women’s issue”:

Much is being made of the gender gap. It is not difficult to see how WOTC can be characterized as a “women’s issue” in view of the following:

- According to *Women Entrepreneur*, women owned 49% of US firms in 2010 (many of them small start-ups) and they became the majority of the US workforce for the first time in US history;
- A key category of WOTC eligibility are TANF recipients. 90% of TANF recipients are young women and mothers, 75% between 20 and 39 years old;
- A sizable percentage (15%) of releasing WOTC eligible veterans are women.

The purpose of this message is to solicit your help in seeing this tax break for small business continued. From our considerable efforts in this legislative arena we can tell you that WOTC enjoys support on both sides of the aisle: Republicans correctly view it as a tax break needed by “job creating” small businesses in a tough economy; Democrats correctly see it as a valuable and proven tool for the good work of moving “hard to hires,” from tax-draining welfare and unemployment rolls into tax-paying jobs. Employers have to have certainty as you have been told by them throughout this process. And, from its many years of success it is clear that WOTC *works*. WOTC is one of those rare issues that is beneficial to all concerned, including:

- **Those concerned with helping the hard to hire find decent work;**
- **The “hard to hire” worker categories it targets(including felons trying to stay on the right side of the law and out of very expensive incarceration), helping move them from tax-draining “programs” to tax-paying citizens;**
- **Employers willing to give felons and other hard to hires a chance, many small employers struggling to stay afloat in this tough economy;**
- **Governmental budgets at every level get relief from lower recidivism rates, and from having pools of “hard to hire” workers *paying* taxes rather than being supported by taxes. And, as mentioned above, the WOTC offices will all have to be manned and funded to handle only the small numbers of veterans who now qualify which is just a clear waste of valuable tax dollars.**

We are happy to respond to your committee’s specific questions as our company is the preeminent expert in the field of using the WOTC to help hard to hires and the employers who hire them. (E.g., In a significant example, we are currently engaged with the State of Ohio to help every Ohio releasing felon find gainful employment. With WOTC in existence we provide this valuable service to Ohio at no cost. Without WOTC this effective program will be lost to Ohio, and to all the other states asking that it be duplicated in their state.) We’ve proven that the WOTC can be harnessed to materially help with one of today’s biggest challenges: enabling the hard to hire find decent work. One of the great things about Congress is its bringing together of so many individuals with varied backgrounds to help make good laws. WOTC is a good example of that and deserves renewal. WOTC *works*.