

NEWS RELEASE



STATE OF ALABAMA
Department of Industrial
Relations
News For Immediate Release
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Work Opportunity Tax Credits for Hurricane Katrina Evacuees Available

MONTGOMERY, ALABAMA, October 3, 2005.....The new Work Opportunity Tax Credits (WOTC) for Hurricane Katrina evacuees is a federal income tax credit that encourages employers to hire individuals who lived in specified disaster areas and are seeking employment. The new legislation extends the Work Opportunity Tax Credit program by adding a special temporary category for individuals impacted by Hurricane Katrina.

“The legislation also simplifies the process that employers need to follow in order to avail themselves of the tax credit,” says Phyllis Kennedy, director of the Alabama Department of Industrial Relations.

There are two groups of Hurricane Katrina eligible employees. The first “Hurricane Katrina Employee” is any individual who on August 28, 2005 had a principal place of abode in the core disaster area, and who is hired during the two-year period beginning on August 28, 2005 until August 28, 2007 for a position which is located in the core disaster area. The second “Hurricane Katrina Employee” is any individual who on August 28, 2005 had a principal place of abode in the core disaster area, who is displaced because of Hurricane Katrina, and who begins to work outside of the affected area on or after August 28, 2005 through December 31, 2005. Alabama counties identified as core disaster areas and eligible for this program are: Baldwin, Choctaw, Clarke, Greene, Hale, Mobile, Pickens, Sumter, Tuscaloosa and Washington.

The Work Opportunity Tax Credit can reduce an employer’s federal tax liability by as much as \$2,400 per new hire. To apply for the credit, employers do not need to complete the standard required WOTC forms. New forms are currently being developed and will be posted on the IRS Web site shortly. Additional information is available at the following website: <http://www.doleta.gov/programs/Katrina-WOTC.cfm>.

Employers may also contact the WOTC Unit at: (334) 353-8037, by e-mail to martha.sanders@dir.al.gov, or by mail to: WOTC Unit, Employment Service Division, Department of Industrial Relations, 649 Monroe Street, Montgomery, AL 36131.

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Industrial Relations is an umbrella organization of State government which administers: the State Employment Service, Unemployment Insurance, Workers’ Compensation, and Labor Market Information. Smaller programs also administered include Abandoned Mine Land Reclamation, Mine Safety and Inspection, and Surface Mining of Non-Fuel Minerals. For more information on DIR visit the Web site: <http://dir.alabama.gov/>.