

Protecting Americans from Tax Hikes (PATH) Act of 2015

In mid-December, President Obama signed the Protecting Americans from Tax Hikes (PATH) Act of 2015. This bill was designed to help grow our economy and help American taxpayers keep more of their hard earned dollars.

Included in the bill was a 5 year extension of the Work Opportunity Tax Credit (WOTC). This will extend the WOTC through the end of 2019. A new category was also added to the WOTC, which includes the long term unemployed. Tax credits may be earned for hiring individuals that were unemployed for a period of 27 weeks or longer.

The 5 year extension will help employers to plan ahead, hire new workers, and grow their businesses.

The WOTC will also be retro-active to January 1, 2015. Companies that did not submit the applications in 2015 will have a "relief period" to submit WOTC applications before they file their 2015 tax returns. This will be a very brief period, so companies need to act quickly to earn tax credits for any 2015 hires.

The tax credits earned can be carried back one year and/or carried forward for up to 20 years.



For more information about the Work Opportunity Tax Credit (WOTC) please contact Marcel Abandonato at 951-272-8294 or marcel@mja-associates.com.

