

Tax Credits for Hiring Ex-Felons

Both the federal and state governments offer tax credits for hiring ex-felons. The federal program – Work Opportunity Tax Credit (WOTC) – offers a **federal tax credit of up to \$2,400 for each new hire.**

To qualify, the employee must be hired not more than one year after the conviction or release from prison for that felony. Also, the employee must be a member of a family that had income on an annual basis of 70% or less of the Bureau of Labor Statistics lower living standard the month in which the hiring date occurs.

Contact Iowa Workforce Development for more information (www.iowaworkforce.org).

In addition, the state of Iowa offers a state tax credit of 65% of the wages paid to an ex-felon in the first 12 months of employment. **The maximum deduction is \$20,000 per employee.**

Contact the Iowa Department of Revenue for more information (www.state.ia.us/tax/index.html)