Targeted Job Tax Credit

By Helping to Train Workers You May Qualify For Federal Tax Credits

Hiring and training workers now can help assure you of a stable, skilled work force for the future. If these are workers from certain target groups you may qualify for substantial federal tax credits under the Targeted Jobs Tax Credit program.

The Revenue Act of 1978 gives you a tax credit of 50 percent of the first $6,000 in wages paid for such workers during their first full year on the job (maximum credit of $3,000 per employee), and 25 percent of the first $6,000 in wages paid during the second year of employment (maximum credit of $1,500 per employee). The actual amount of credit will vary, depending on the company’s tax attributes, and the salary of the new employee.

All private employers in a trade or business may take advantage of the tax credit by hiring individuals from one of the following seven “target groups”: Handicapped persons referred from vocational rehabilitation programs or the Veterans Administration; young people aged 18 through 24 who are members of economically disadvantaged families; recipients of Supplemental Security Income (SSI); Vietnam-era veterans under age 35 who are economically disadvantaged; persons who have received general assistance for 30 or more days; youths aged 16 through 18 participating in cooperative education programs; or ex-offenders (felons) who are economically disadvantaged and are hired within five years after conviction or prison release.

Government agencies and other organizations that serve targeted workers—such as CETA program sponsors, vocational rehabilitation agencies, welfare agencies, and Social Security offices — issue eligibility vouchers to their clients. When workers apply for jobs, they show you their vouchers. After you hire an eligible worker, you answer a few simple questions on the voucher and mail it to your local Job Service office. The Job Service then sends you a certification form on each worker. This form provides all the evidence you need to claim the tax credit. The only records to be kept are the dollar amount of wages paid to certified employees, and the certification form from your local Job Service office. You claim the credit by filing IRS Form 5884 with your federal income tax return.

For full details on the Targeted Jobs Tax Credit and how you can participate, contact your State Department of Labor Office.

AWCI, Carpenters Sign International Agreement

A new international agreement between the Association of Wall and Ceiling Contractors-International and the Brotherhood of Carpenters and Joiners of America was signed by both parties on May 24 in Washington, DC. Taking part in the signing ceremony were, left to right: seated—Carmen Paterniti, chairman, carpenters’ section, AWCI Labor Liaison Committee; J. Patrick Campbell, General President, Carpenters; Robert L. Whittle, AWCI Past President; standing—Joe M. Baker, Jr., Executive Vice President, AWCI; Sigurd Luccassen, 1st General Vice President, Carpenters, and Daniel McGlone, AWCI member.