

Update: October, 2009

Tax Credit and Incentive Bulletin

LATEST NEWS

WOTC Update – Urgent Notification and Action Required

Situation

TALX wants to make our clients aware that beginning Monday, October 19th, employers must use the August 2009 version of the IRS Form 8850 when screening for the newest categories of WOTC. Those two categories are Disconnected Youth and Unemployed Veteran. There is much confusion about this issue from the guidance that is being released by the Internal Revenue Service and the Department of Labor. TALX strongly encourages our clients to access and print the new IRS Form 8850 from the TCI website under the Available Forms, Printable Forms option. You can access and print the August 2009 version of the IRS Form 8850 by logging on at: <http://www.talx.com/Solutions/Hiring/TaxCredits/>

If you would like TALX to provide you with a pdf file containing location specific IRS Form 8850's or to mail the location specific IRS Form 8850's directly to your locations, please let us know by contacting your TALX Tax Credits and Incentives Client Relationship Manager. In the event you would like these location specific forms, please use the client available form from the TCI website until your request can be fulfilled.

We recognize that the time sensitivity of this change will cause concern among our client base, however, until we are able to resolve this very confusing issue with our contacts at the Internal Revenue Service and the Department of Labor, we do not want to risk our clients losing any of these valuable tax credits. We want to thank all our clients for their patience and understanding on this matter. We are hopeful that the IRS will adopt a more reasonable position and allow the use of older versions of the IRS Form 8850 as they have in the past, however, we cannot be assured of this based on the latest communications we have received this week. Rest assured, TALX will continue to process the older versions if our clients send them to us, however, we cannot guarantee that the State Workforce Agencies will accept them for the two new categories. We will continue to work with our contacts in Washington, as well as with the National Employment Opportunities Network ("NEON") to resolve this pressing matter.

At this time, TALX will continue to use the Declaration form in its current format until we receive more clear direction from the states. TALX uses the Declaration form ONLY for new hires that screen eligible for the Disconnected Youth category. We are continuing our efforts through our involvement with NEON, and our relationships with the Internal Revenue Service, Department of Labor and State Workforce Agencies to get a single standard form that all states will accept. TALX will continue to share the latest direction and required action as the information becomes available. Again, we appreciate all of our clients' understanding and patience on this issue.

Please contact your TALX Tax Credits and Incentives Client Relationship Manager if you have questions.