

DEPARTMENT OF BENEFIT PAYMENTS

744 P Street, Sacramento, CA 95814

OBSOLETE

July 31, 1975

ALL-COUNTY LETTER NO. 75-159

Superseded by ACL # 77-15TO: ALL COUNTY WELFARE DIRECTORS
ALL EDD FIELD OFFICE MANAGERSIssued 3-17-77SUBJECT: TAX REDUCTION ACT OF 1975 - PROVISIONS RELATED TO TITLE IV-A OF THE
SOCIAL SECURITY ACT

REFERENCE:

Sections 401 of the Tax Reduction Act of 1975 (Public Law 94-12) establishes a temporary "Welfare Recipient Incentive Tax Credit" for business and nonbusiness employers who hire federally eligible AFDC recipients up to July 1, 1976.

EMPLOYER'S TAX CREDIT

Section 401 provides that an employer who hires a qualified AFDC recipient on or after March 30, 1975, will be eligible for a tax credit equal to 20 percent of the gross wages paid to the recipient after 30 days of consecutive employment.

CERTIFICATION BY COUNTY WELFARE DEPARTMENTS

Under the new amendments, the county welfare department will be responsible for certifying, at the employer's request, as to whether an individual:

- a. Was eligible for financial assistance under Part A of Title IV of the Social Security Act on the date he or she was hired, and
- b. Had continuously received such financial assistance during the 90-day period immediately preceding the date he or she was hired.

This certification is necessary for the employer to qualify for the tax credit.

CERTIFICATION OF APPROPRIATE INDIVIDUALS MAY BE ACCOMPLISHED AS FOLLOWS:

The employer may request such certification by completing Part A of a suggested "ELIGIBILITY DECLARATION FORM" and submitting it to the county for completion of Part B (a copy of this suggested form is attached to this letter).

WIN TAX CREDIT CERTIFICATION BY EDD (WIN) FIELD OFFICES

Since the new tax credit does not replace the regular WIN tax credit, there now exist two separate tax credit programs available to employers of AFDC recipients. However, in those cases where a qualified recipient is eligible under both

programs, the employer may opt for either of the tax credits but, naturally, cannot receive both. EDD field offices will continue to certify federally eligible WIN registrants to employers claiming the WIN tax credit per existing procedures as outlined in SSAG FOM Sections 5510 and 5535.1.

INFORMING PROSPECTIVE EMPLOYERS

EDD plans to announce the new tax credit in the next quarterly issue of the "Employer's Newsletter." The newsletter will direct interested employers to contact local EDD offices for referrals of qualified recipients and to contact local county welfare departments for completion of the certification process as appropriate.

Sincerely,

Jerold A. Prod

JEROLD A. PROD, Acting Director
Department of Benefit Payments

for

Mart R Glick

Martin R. Glick, Director
Employment Development Department

Attachment

cc: CWDA
Martin R. Glick, Director, EDD

ELIGIBILITY DECLARATION FORM

(CERTIFICATION OF PLACEMENT OF FEDERAL AFDC RECIPIENT IN EMPLOYMENT UNDER SECTION 401 OF THE TAX REDUCTION ACT OF 1975 (PUBLIC LAW 94-12)).

PART A (To be completed by Employer-Applicant):

EMPLOYER _____ **IRS ID NO:** _____
(Name) (Firm or Individual)

ADDRESS: _____
Street City State ZIP

AFDC RECIPIENT: _____
(Name)

ADDRESS: _____
Street City State ZIP

PHONE: _____ **SOCIAL SECURITY NO:** _____

I hereby declare that the above-named AFDC recipient who is not a migrant worker was hired by the above-named employer on (date) _____ as (Job title or occupation) _____ at (wage rate) \$ _____ per _____, and:

- (1) That the employment of this individual has continued from that date for a period in excess of 30 consecutive days on a substantially full-time basis, and
- (2) That the employment of this individual has not resulted in the displacement of any other individual from employment, i.e.,
 - a. That the vacancy did not occur as the result of a strike or lockout in the course of a labor dispute;
 - b. That no reduction in non-overtime hours, wages or employment benefits has occurred or is expected to occur for workers currently employed by the employer which can be related to the employment of the individual named above.
 - c. That no employees are in layoff status awaiting recall for the position filled by this individual,

Furthermore, I certify that I am not and will not claim a tax credit for the wages paid to this individual under the WIN tax credit provided for WIN registrants/participants under Section 432(b)(1) of the Social Security Act.

AUTHORIZED EMPLOYER REPRESENTATIVE: _____
(Signature)

(Title)

(Date)

NOTE: It is a criminal offense, punishable by a penalty of not more than \$10,000 or five years imprisonment, or both, to knowingly and willfully falsify a material fact in this application for certification.

PART B (To be completed by the County Welfare Agency)

COUNTY: _____

NAME OF AGENCY: _____

ADDRESS _____
(Street) (City) (State) (Zip)

I hereby declare that the above-named individual:

- a. Was eligible for financial assistance under the provision of part A of title IV of the Social Security Act on (date hired) _____, and
- b. Had continuously received such financial assistance during the 90 day period which immediately precedes the date on which the individual was hired by the above-named employer.

CERTIFIED BY: _____
(Signature)

(Title)

(Date)