



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Baucus Succeeds in Expanding Welfare to Work Opportunities *Tax Credit Eligibility Increased as a Result of Congressional Inquiry*

(WASHINGTON, D.C.) At the request of U.S. Senator Max Baucus, the Internal Revenue Service (IRS) has announced that the eligibility criteria for the Work Opportunity Tax Credit (WOTC) will be clarified to ensure that if one member of a welfare household qualifies for WOTC, then each of the members of that family would also qualify.

Last December, Baucus contacted the IRS and insisted that the implementation of the WOTC be corrected to properly reflect the legislative intent. Reps. Charles Rangel (D-N.Y.) and Amo Houghton (R-N.Y.) joined Baucus in the request.

"As the three members of Congress who were original authors of this program, we wanted to let the IRS know what we believe to be the law and legislative history on this issue," the Senators stated in the Dec. 2002 letter. "Our original intent, which was to provide employers with an incentive to hire all members of a family on welfare, was properly stated in the law. The language only requires that one be a "member" of a family eligible to receive welfare benefits, not that each member receives assistance for the full qualifying period."

As a result of the Congressional request, Commissioner Everson yesterday informed Baucus that the IRS agrees with his position and will issue a ruling to clarify the eligibility requirement for the WOTC.

"I am pleased to report that Revenue Ruling 2003-112, which addresses your concerns, will be published on November 10, 2003 in I.R.B. 2003-45. As requested, we clarified that an individual whose family receives assistance for the requisite period meets the requirements to be certified as a qualified IV-A recipient under section 51(d)(2)(A) of the Internal Revenue Code if the individual is included on the grant for some portion of the specified portion," Commissioner Everson stated in the letter to Baucus.

"I applaud Commissioner Everson's decision to make this important clarification that will help more people successfully move from welfare to work," Baucus said today. "Given the difficult economic times, more and more American's are finding themselves out of a job. It's important that we do everything in our power to help these people, and their families, find employment and get back on their feet.

"The Work Opportunity Tax Credit has been a successful program, but it's vital that this program is implemented as it was intended when we wrote the law. Today's IRS decision ensures that the law will be carried out as written," Baucus added.

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