

December 13, 2023

The Honorable Lloyd Smucker
U.S. House of Representatives
302 Cannon House Office Building
Washington, DC 20515

The Honorable Terri Sewell
U.S. House of Representatives
1035 Longworth House Office Building
Washington, DC 20515

Dear Representatives Smucker and Sewell,

We, the undersigned organizations, write in strong support of H.R. XXXX, the *Improve and Enhance the Work Opportunity Tax Credit Act*. As you know, the Work Opportunity Tax Credit (WOTC) is an important tax preference that has been utilized for nearly three decades to build workforces in local communities across the country. WOTC provides those in disadvantaged groups, facing poverty, stigma, or other barriers to employment with opportunities for meaningful work in our industries. We appreciate that your legislation takes important steps to strengthen WOTC, the first significant improvements since the credit's creation in 1996.

H.R. XXXX would make WOTC more effective in achieving the goals of providing job opportunities and on-the-job training for individuals, including eligible veterans, SNAP recipients, individuals with disabilities, second chance workers, and long-term unemployed individuals so they can have a pathway to remaining in the workforce. This critical legislation would also address the amount of the WOTC credit, which has remained stagnant for decades. By failing to keep up with wages and inflation, the effectiveness of the credit has been weakened. As such, the bill would (1) increase the current credit percentage from 40% to 50% of qualified wages and (2) add a second level of credit for employees who work 400 or more hours. In addition, the bill would importantly increase the age at which SNAP recipients are eligible for WOTC, providing an incentive to hire older workers.

The benefits to improving and expanding WOTC are countless. WOTC eligible workers live in every state in the United States. An expanded credit helps target communities with lower workforce participation rates and provides relief to essential industries that are facing workforce shortages.

According to the U.S. Department of Labor, a total of 2,569,646 WOTC credits were issued in the United States in 2022. This represents an almost 23.45% increase over the previous year.¹ As is clearly indicated in the data, WOTC remains a vital lifeline to supporting both businesses and individuals seeking stable employment.

¹ WOTC Performance, U.S. Department of Labor, <https://www.dol.gov/agencies/eta/wotc/performance>

Thank you for your leadership in introducing the *Improve and Enhance the Work Opportunity Tax Credit Act*. We look forward to working with you and your colleagues in a bipartisan manner to support enact H.R. XXXX.

Sincerely,

FMI - The Food Industry Association
Critical Labor Coalition
National Restaurant Association
Retail Industry Leaders Association
National Grocers Association
International Franchise Association
American Health Care Association
American Hotel & Lodging Association
The American Seniors Housing Association
American Staffing Association
Family League of Baltimore
National Beer Wholesalers Association