

The Hiring Incentives to Restore Employment (HIRE) Act

Do you want to hire staff? Are you waiting for the economy to improve? Stop waiting. There are new tax breaks for employers who hire unemployed workers.

HIRE

Congress just passed the Hiring Incentives to Restore Employment, or HIRE Act, to help businesses begin hiring again. Businesses who want hire staff need to:

- hire people who have been unemployed for at least 60 days
- hire new workers between February 3, 2010 and January 1, 2011
- receive a 6.2 percent payroll tax cut (or their share of Social Security taxes) on wages paid between March 18, 2010 and December 31, 2010

The earlier a business hires, the more money they save.

Want a larger tax cut? The sooner you hire, the more you save. For example, if you hire a worker paid \$60,000 in March, it will save your business \$3,000 in taxes. The longer the person is on your payroll, the greater the savings. For each worker you retain for at least a year, your business may claim an additional general business tax credit of up to \$1,000 per worker on your 2011 tax return.

This credit helps businesses get the skilled workers they need and puts people back to work, helping the nation's economic recovery.

Who qualifies?

- Businesses, agricultural employers, tax-exempt organizations, public colleges and universities
- Hires for new positions, or people who fill an existing position vacated by a worker who left voluntarily or for cause.

Family members and other relatives DO NOT qualify. Household employers CANNOT claim this new tax benefit.

Are there other requirements?

You need to keep on file a signed affidavit from each new hire. The affidavit is their statement that they have been out of work for 60 days and have not worked more than 40 hours during that time. It is an IRS Form. Look for it on our home page: www.labor.ny.gov

How do I apply for the credits?

Businesses will claim the payroll tax on their quarterly federal employment tax filing with the IRS. Eligible businesses can claim the new tax incentive on their revised employment tax form for the second quarter of 2010. The IRS will post revised forms and further details on these tax provisions on their web site (www.irs.gov) shortly.

For more information, contact your local One-Stop Career Center to speak with a Business Services Representative.

PROTECT *all Workers*

ASSIST *the Unemployed*

CONNECT *Employers and Workers*

www.labor.ny.gov

