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POLICY BRIEF

## WORK OPPORTUNITY TAX CREDIT

### BACKGROUND

WOTC is a federal tax credit available to employers who hire individuals from designated groups who have consistently faced barriers to employment.

**WOTC helps many unemployed find work in restaurants and hospitality.**

In 2022, **2.5M+ total WOTCs** were issued, according to the U.S. Dept. of Labor.

In June 2024, there were **866K jobs openings** in the accommodation and foodservice industries.

### LEARN MORE

Visit [RestaurantsAct.com](https://RestaurantsAct.com)

### RESTAURANT OPERATORS SUPPORT WOTC

The restaurant industry has job opportunities for everyone. **Since 1995, industry employers have used the bipartisan Work Opportunity Tax Credit (WOTC)** to support a bridge to economic success for U.S. military veterans, long-term unemployed, individuals on public assistance, and justice-involved individuals.

**Congress should expand and improve this vital tool for restaurant operators.** WOTC expires at the end of 2025, putting millions of people on a steeper pathway to employment, possibly increasing their reliance on government assistance.

### WHY WOTC MATTERS TO RESTAURANTS

The restaurant industry is the second-largest private employer in the U.S., employing more than 15.5 million people. Entry-level restaurant jobs can lead to lasting careers or provide a springboard into other career fields. WOTC can be used by a restaurant operator when filling temporary, seasonal, part-time, and full-time opportunities.

### WHY WOTC IS VALUABLE

In addition to boosting employment prospects, the WOTC program saved federal and state governments \$20.2 billion in annual entitlement spending in 2018. **For employers, the WOTC general business credit for most new hires is \$2,400.**

### HOW WOTC WORKS

A restaurant operator or other employer checks on the WOTC-eligible status of a job candidate with their state. The employer has 28 days from the start date to file paperwork with the state workforce agency.

### IMPROVING WOTC FOR THE FUTURE

**The Association supports the Improve and Enhance the Work Opportunity Tax Credit Act of 2023 (H.R. 6833)**, introduced by Reps. Lloyd Smucker (R-PA) and Terri Sewell (D-AL). The bipartisan legislation would 1) boost the tax credit value from 40% to 50% of qualified wages; 2) add a second level of credit for employees who work 400+ hours in their first year; and 3) end the arbitrary age cap that prevents certain workers over 39 years of age from qualifying for WOTC.

# WORK OPPORTUNITY TAX CREDIT

The National Restaurant Association is the leading business association for the restaurant and foodservice industry.

## RESTAURANTS BY THE NUMBERS

**15.5 MILLION**  
employees

**10%**  
of the nation's  
workforce



**1 MILLION+**  
locations around  
the country

**\$1.1 TRILLION**  
in projected sales

Making up **5%**  
of the real U.S. GDP

