

Pub. L. 97-354, §5(a)(10), Oct. 19, 1982, 96 Stat. 1693; Pub. L. 101-239, title VII, §7644, Dec. 19, 1989, 103 Stat. 2381, provided for the definition of terms related to the expenses of work incentive programs, limitations on such expenses, and special rules to be applied in connection with the computation of the credit.

Subsequent to repeal, Pub. L. 101-239, title VII, §7644(a), Dec. 19, 1989, 103 Stat. 2381, provided that:

“(a) IN GENERAL.—So much of subparagraph (A) of section 50B(h)(1) of the Internal Revenue Code of 1954 (as in effect for taxable years beginning before January 1, 1982) as precedes clause (i) thereof is amended to read as follows:

“(A) who has been certified (or for whom a written request for certification has been made) on or before the day the individual began work for the taxpayer by the Secretary of Labor or by the appropriate agency of State or local government as—”.

“(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for purposes of credits first claimed after March 11, 1987.”

#### EFFECTIVE DATE OF REPEAL

Repeal applicable to taxable years beginning after Dec. 31, 1983, and to carrybacks from such years, see section 475(a) of Pub. L. 98-369, set out as an Effective Date of 1984 Amendment note under section 21 of this title.

#### SUBPART F—RULES FOR COMPUTING WORK OPPORTUNITY CREDIT

Sec.	
51.	Amount of credit.
[51A.	Repealed.]
52.	Special rules.

#### AMENDMENTS

2006—Pub. L. 109-432, div. A, title I, §105(e)(4)(B), Dec. 20, 2006, 120 Stat. 2937, struck out item 51A “Temporary incentives for employing long-term family assistance recipients”.

1997—Pub. L. 105-34, title VIII, §801(b), Aug. 5, 1997, 111 Stat. 871, added item 51A.

1996—Pub. L. 104-188, title I, §1201(e)(2), Aug. 20, 1996, 110 Stat. 1772, substituted “Work Opportunity Credit” for “Targeted Jobs Credit” in subpart heading.

1984—Pub. L. 98-369, div. A, title IV, §474(n)(1), (2), (p)(9), July 18, 1984, 98 Stat. 833, 838, substituted “F” for “D” as subpart designation, substituted “Rules for Computing Targeted Jobs Credit” for “Rules for Computing Credit for Employment of Certain New Employees” in heading, and struck out item 53 “Limitation based on amount of tax”.

### § 51. Amount of credit

#### (a) Determination of amount

For purposes of section 38, the amount of the work opportunity credit determined under this section for the taxable year shall be equal to 40 percent of the qualified first-year wages for such year.

#### (b) Qualified wages defined

For purposes of this subpart—

##### (1) In general

The term “qualified wages” means the wages paid or incurred by the employer during the taxable year to individuals who are members of a targeted group.

##### (2) Qualified first-year wages

The term “qualified first-year wages” means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the

day the individual begins work for the employer.

#### (3) Limitation on wages per year taken into account

The amount of the qualified first-year wages which may be taken into account with respect to any individual shall not exceed \$6,000 per year (\$12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii)).

#### (c) Wages defined

For purposes of this subpart—

##### (1) In general

Except as otherwise provided in this subsection and subsection (h)(2), the term “wages” has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section).

##### (2) On-the-job training and work supplementation payments

###### (A) Exclusion for employers receiving on-the-job training payments

The term “wages” shall not include any amounts paid or incurred by an employer for any period to any individual for whom the employer receives federally funded payments for on-the-job training of such individual for such period.

###### (B) Reduction for work supplementation payments to employers

The amount of wages which would (but for this subparagraph) be qualified wages under this section for an employer with respect to an individual for a taxable year shall be reduced by an amount equal to the amount of the payments made to such employer (however utilized by such employer) with respect to such individual for such taxable year under a program established under section 482(e)<sup>1</sup> of the Social Security Act.

##### (3) Payments for services during labor disputes

If—

(A) the principal place of employment of an individual with the employer is at a plant or facility, and

(B) there is a strike or lockout involving employees at such plant or facility,

the term “wages” shall not include any amount paid or incurred by the employer to such individual for services which are the same as, or substantially similar to, those services performed by employees participating in, or affected by, the strike or lockout during the period of such strike or lockout.

##### (4) Termination

The term “wages” shall not include any amount paid or incurred to an individual who begins work for the employer—

(A) after December 31, 1994, and before October 1, 1996, or

(B) after August 31, 2011.

##### (d) Members of targeted groups

For purposes of this subpart—

<sup>1</sup> See References in Text note below.