

Tax Tip



March 20, 2010

Employers Get Paid To Hire

Employers may now qualify for a 6.2% payroll tax incentive. This tax incentive offsets the employer share of the Social Security tax on wages paid to unemployed workers hired after February 3, 2010 and before January 1, 2011. This incentive will be claimed on the employers quarterly employment tax forms. Under the recently enacted law "HIRE" Hiring Incentives to Restore Employment, this benefit does not change the employee share of Social Security tax nor does it change the Medicare tax on employers and employees.

HIRE also provides a general business tax credit up to \$1,000 per worker retained for at least one year. The credit is claimed when the business files its income tax return.

Each eligible new hire must certify that he/she was unemployed during the 60 days before beginning work or worked fewer hours than a total of 40 hours for someone else.

If you have any questions please contact our Tax Services Group:

609.520.1188
Taxbriefs@withum.com