



Tax Screening Services

FMS Work Tax Credits

How Does it Work?

There are various on-going federal and state employment-based tax credits and incentives to businesses that hire employees in certain economic classes or areas.

On average, 10% of all employees hired in a supermarket will be a federal or state tax credit to the employer averaging \$1,800. Because of the usual high turnover rate associated to retail, this can become a significant amount. FMS has partnered with HR Screening to offer a custom program for supermarkets to secure these credit monies.

How do I get Started?

FMS provides all the forms and instruction to implement the program. It is very simple for the retailer. As part of your hiring practice you have the new hire fill out 2 government forms (total of 3 pages takes 2 minutes) and send in. FMS does the rest.

What is the cost for this service?

FMS charges 25% of the tax credit amount secured. During the first year this fee is not payable until the end of the year when you file your taxes and take the credit. Every year there after it is payable bi-annually. There is no cost to sign up.

Work Opportunity Tax Credit (WOTC)

This program offers employers a credit against their tax liability for hiring individuals from eight targeted groups.

Welfare to Work Program

The Welfare to Work program offers employers a two-year tax credit for hiring long-term welfare recipients.

Calculating the Incentive

Program	Credit Amount	Maximum	Qualifying hours
WOTC*	40% of first \$6,000	2,400.00	120
WTW (1st year)	35% of first \$10,000	3,500.00	400
WTW (2nd year)	50% of first \$10,000	\$5,000.00	400
Empowerment Zone Tax Credit	20% of first \$15,000	\$3000.00	90 days
Renewal Community Tax Credit	15% of first \$10,000	\$1500.00	90 days
State Tax Credit programs	Varies (PA has 3 year program)	Varies	Varies

How Much Can My Company Make?

Based on past experiences with companies from many different industries, FMS suggests the following formulas when calculating yearly tax credit income:

1) Formula One for industries like retail, restaurants, temporary staffing services, or manufacturing:

10% of all applicants are certified with an average credit of \$1800 per applicant. \$18,000 in tax credits for each 100 people hired

2) Formula two for industries like banking and low turnover industries:

5% of all applicants are certified with an average credit of \$1800 per applicant. \$9,000 in tax credits for each 100 people hired.

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