

## **Job Tax Credit for Employing Persons with Disabilities**

Employers may be eligible for a tax credit if they hire employees with disabilities who have received vocational rehabilitation services through the state Division of Rehabilitation Services. Entities doing business in the State of Tennessee that create new jobs, either full time or part time, that are filled by individuals with disabilities may be entitled to a one-time job tax credit.

T.C.A. § 67-4-2109(g) provides for a job tax credit of \$5,000 for each net new full-time employee job and a credit of \$2,000 for each net new part-time employee job for employment of persons with disabilities who are receiving Tennessee state services directly related to the disabilities.

Employment of the person with a disability must create a net increase in the number of persons with disabilities employed by the taxpayer within the 90-day period immediately preceding the employment. The taxpayer must provide the qualifying employment for at least 12 consecutive months for no less than the minimal hours per week as described in the enacting legislation.

To claim the tax credit, the taxpayer must file a plan with the Tennessee Department of Revenue, Taxpayer and Vehicle Services Division on or before the last day of the fiscal year in which the employment begins and must state the number of persons with disabilities newly employed.

Information about the job tax credit can be found in the Taxpayer and Vehicle Services Division's Franchise and Excise Tax Guide on the Tennessee Department of Revenue's web site at <http://tennessee.gov/revenue/taxguides/feguide.pdf>.

The Jobs Tax Credit Business Plan form can be found at <http://tennessee.gov/revenue/forms/fac/index.htm#other>.