

TANF Tax Credit: Long-term Family Welfare Recipient

Essential Business Tool for Tough Times

The former “welfare-to-work” program is now a WOTC target group. This target group retains its former statutory definition and the more generous tax credit provisions for a tax credit of as much as \$9,000 over a two-year period per new hire.

This WOTC target group includes a member of a family that received Temporary Assistance for Needy Families (TANF), also. Even families who stopped being eligible for TANF because of limitations in Federal or state law may qualify your business for this generous credit.

More about Family Assistance (1)



The Temporary Assistance for Needy Families (TANF) program became the TANF Bureau within the Office of Family Assistance in May 2006. The Bureau has primary responsibility for the administration of the programs authorized under titles IV-A and XVI of the Social Security Act.

Under the welfare reform legislation of 1996, (the Personal Responsibility and Work Opportunity Reconciliation Act – PWRORA – Public Law 104-193), TANF replaced the welfare programs known as Aid to Families with Dependent Children (AFDC), the Job Opportunities and Basic Skills Training (JOBS) program and the Emergency Assistance (EA) program. The law ended federal entitlement to assistance and instead created TANF as a block grant that provides States, territories and tribes federal funds each year. These funds cover benefits, administrative expenses, and services targeted to needy families. TANF became effective July 1, 1997, and was reauthorized in February 2006 under the Deficit Reduction Act of 2005.

TANF is designed to help needy families achieve self-sufficiency. To carry out its mission, the TANF Bureau: 1) develops legislative, regulatory, and budgetary proposals; 2) presents operational planning objectives and initiatives related to welfare reform to the Director; 3) oversees the progress of approved activities; 4) provides leadership and coordination for welfare reform within ACF; and 5) provides leadership and linkages with other agencies on welfare reform issues, including agencies within DHHS, relevant agencies across the Federal, State, local, and Tribal governments, and non-governmental organizations at the Federal, State, and local levels.”

(1) Source: <http://www.acf.hhs.gov/programs/ofa/tanf/about.html#history>