September XX, 2026

The Honorable Mike Crapo
Chairman
Committee on Finance
U.S. Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
U.S. Senate
Washington, D.C. 20510

The Honorable Jason Smith
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Crapo and Smith and Ranking Members Wyden and Neal:

The undersigned organizations urge Congress to enact the Improve and Enhance the Work Opportunity Tax Credit Act (H.R. 6231/S. 3265), with retroactive effect to January 1, 2026. As the Committees finalize the year-end legislative agenda, we respectfully request that this bipartisan legislation be included in any tax package moving before the 119th Congress adjourns.

For nearly three decades, the Work Opportunity Tax Credit (WOTC) has encouraged employers to recruit, hire, and retain individuals who face significant barriers to employment, including qualified veterans, SNAP recipients, second chance workers, and the long-term unemployed. The credit can reach up to $9,600 for certain qualified veterans and helps employers meet workforce needs in communities across the country. WOTC expired on December 31, 2025, making prompt congressional action essential.

Congress has repeatedly renewed WOTC, often retroactively, following prior lapses. Employers have relied on that longstanding practice in continuing to recruit and hire individuals from WOTC-eligible populations during the current lapse. Failure to provide retroactive relief would undermine that reliance and penalize employers that continued advancing the credit's workforce objectives after its expiration. Restoring WOTC retroactively to January 1, 2026, would honor that reliance and maintain continuity for employers and workers alike.

H.R. 6231/S. 3265 would strengthen WOTC by: (1) extending the credit retroactively from January 1, 2026, through December 31, 2030; (2) increasing the credit rate from 40 percent to 50 percent of qualified wages; (3) indexing the credit for inflation; (4) providing an additional credit for employees who complete at least 400 hours of service, thereby rewarding longer-term employment; and (5) extending eligibility to employers that hire spouses of currently serving military personnel.

As the U.S. labor force participation rate continues to drop past its lowest level since 1976, enacting these improvements would deliver benefits nationwide. Eligible workers live in every state, and an enhanced credit would encourage hiring in communities with lower workforce-participation rates, support industries facing persistent labor shortages, and promote sustained employment among individuals who continue to encounter significant barriers to work.

We respectfully urge you to include H.R. 6231/S. 3265 in any year-end tax package and to ensure that WOTC is restored retroactively to January 1, 2026. Doing so will provide employers and workers with the certainty needed to continue advancing WOTC's objectives. Thank you for your leadership on tax policy and for your consideration of this request.

Sincerely,

[INSERT SIGNATORIES]

cc: The Honorable Bill Cassidy, M.D.
The Honorable Maggie Hassan
The Honorable Lloyd Smucker
The Honorable Steven Horsford