

Payroll Tax Holiday Effective Now!

Recently the federal government signed into law the [HIRE Act](#). HIRE is an acronym for Hiring Incentives to Restore Employment. This new law is in effect right now and may provide your company with an immediate payroll tax break. There's been little publicity surrounding this new act which is why I felt it appropriate for my note this month.

- This new law will allow employers to receive a credit equal to 6.2% of wages for qualified employees hired after February 3, 2010.
- Qualified employees are defined as someone that has not worked more than 40 hours in the 60 days prior to their start date. So, if you have hired someone that was unemployed for 60 days previous to starting employment with you, your company will receive a tax credit of 6.2% of their wages earned through December 31, 2010.
- This credit may be received via your next quarterly payroll tax filing (form 941).
- For example, if your company hires a qualified individual that earns \$40,000 in 2010, the tax credit in 2010 is equal to \$2,480.
- There is "part 2" to this law which provides additional credits for retaining qualified employees for one year.

As with any new tax legislation, there are more details, but this new legislation is relatively simple to administer and apply for the credit.

Please call us with any thoughts or questions about hiring additional talent. We have outstanding professionals available immediately for direct hire, contract placement, temp-to-hire, or temporary openings.