

Enterprise Zone Hiring Tax Credit -Proof of Eligibility Requirements

s 8465 Issuance of a Voucher

(a) An enterprise zone manager shall issue a voucher if all of the following criteria are satisfied:

- (1) The voucher is requested by an eligible Applicant
- (2) The voucher application contains all the information required by Sections 8464 and 8466.
- (3) The voucher application demonstrates that the employee meets the eligibility requirements of Subdivision (b)(4)(A)(iv).

(b) After the zone termination date, the zone manager may continue to issue vouchers for applications for qualified employees who are employed by the Applicant within the enterprise zone within the 60-month period prior to the zone expiration date, provided that the criteria in subdivision (a) are satisfied. If the zone manager of the local government administering the enterprise zone is no longer issuing vouchers, an Applicant may request a voucher from the local county or city WIA administrative entity, or the local county Work Opportunity Tax Credit office or social services agency, who may issue vouchers for applications for qualified employees who are employed by the Applicant within the enterprise zone within the 60-month period prior to the zone expiration date, provided that the criteria in subdivision (a) are satisfied. Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

s 8466. Acceptable Documentation.

(a) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(I), (b)(4)(A)(iv)(II), or (b)(4)(A)(iv)(XI), the Applicant shall provide one of the following documents pertaining to the employee's status immediately preceding commencement of employment with the Applicant:

- (1) A document issued by the local CalWORKS administrator stating that the employee was eligible for CalWORKS.
- (2) A document issued by the local WIA case manager or administrator stating that the employee is enrolled in, or eligible for, WIA Intensive Services or Core B.
- (3) A document issued by the Work Opportunity Tax Credit or successor program's "designated local agency" (as defined in Internal Revenue Code Section 51(d)(15)) stating that the employee was a member of a targeted group, as defined in Internal Revenue Code Section 51(d), or its successor.

(b) To demonstrate that the employee is a qualified employee as an economically disadvantaged individual under Subdivision (b)(4)(A)(iv)(III), the Applicant shall provide:

(1) An official identification card or other document issued by the federal government or any state or local government that shows the employee's age or date of birth, and indicates that the employee is at least 14 years of age; and

(2) Documentation that, immediately preceding the commencement of employment with the Applicant, the employee was an economically disadvantaged individual or economically disadvantaged youth as defined in subdivision 8461(d).

(c) To demonstrate that, immediately preceding the commencement of employment with the Applicant, the employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(aa), the Applicant shall provide at least one item from each of subdivisions (1), (2) and (3) below:

(1) To document that an employee has been terminated, laid off, or received a notice of termination or layoff:

- (A) Copy of a termination notice or other company documentation of employee's termination or layoff.
- (B) Employer or union representative letter identifying the employee's termination date.
- (C) Photocopy of printed media article or announcement, including the name and date of the publication, describing the layoff, along with a copy of the employee's last payroll check prior to hire by the Applicant.
- (D) Separation or Termination Report, or equivalent, signed by the employee's former employer.
- (E) Document showing that the employee is eligible for or has exhausted entitlement to unemployment insurance benefits as specified in subdivision (c)(2) below.

(2) To document that the employee is eligible for or has exhausted entitlement to unemployment insurance benefits:

- (A) Unemployment insurance records.
- (B) Statement by an Unemployment Insurance representative.

(3) To demonstrate that the employee is unlikely to return to his or her previous industry or occupation:

- (A) Screen print of California Employment Development Department Labor Market Information Division screens that indicates limited opportunities for employment in the same or similar occupation such that the employee is unlikely to return to that occupation.
- (B) Doctor's statement indicating employee's inability to return to previous industry/occupation due to physical limitations.
- (C) Vocational rehabilitation counselor's statement indicating the employee's inability to return to previous industry/occupation due to physical limitations.

- (D) Other third-party documentation that demonstrates the unavailability of similar employment in the employee's previous industry or profession.

(d) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(bb) due to plant, facility, or enterprise closure, the Applicant shall provide at least one item from each of subdivisions (1) and (2) below:

(1) To document that there has been a permanent plant, facility, or enterprise closure or substantial lay off:

- (A) Bankruptcy documents, if declared under Chapter 7, Title 11 U.S.C., Notice of Foreclosure or a similar document provided by a financial institution when such document clearly shows that a closure or mass layoff will occur as a result of its issuance.
- (B) Copy of a printed media article/announcement, including the name and date of the publication, describing the closure/mass layoff.
- (C) Statement from the employer or the union representative.
- (D) Statement from the employer's bank official, attorney, supplier, or accountant.
- (E) WARN (Worker Adjustment and Retraining Notification Act) notice.

(2) To document that an employee has been terminated, laid off, or received a notice of termination or layoff, the Applicant shall provide one of the following documents verifying that the employee was employed at the plant, facility, or enterprise identified in (d)(1) above:

- (A) Copy of a notice of termination or layoff or other company documentation of employee's termination.
- (B) Employer or union representative letter identifying the employee's termination date.
- (C) Separation or Termination Report, or equivalent, signed by the employee's former employer.
- (D) Evidence that the employee is or was employed by the plant, facility, or enterprise identified in subdivision (d)(1).
- (E) WARN notice.

(e) To demonstrate that an employee is a qualified employee as a dislocated worker under Subdivision (b)(4)(A)(iv)(IV)(cc) as long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, the Applicant shall provide at least one item from each of subdivisions (1) and (2) below:

(1) To document that the employee is long-term unemployed, one of the following dated at least 15 weeks prior to commencement of employment with the Applicant:

- (A) Proof of receipt of unemployment benefits for at least 15 weeks prior to commencement of employment or proof that unemployment benefits were exhausted.
- (B) Unemployment insurance verification (benefits records).
- (C) Unemployment insurance award letter with claim history.
- (D) Workers Investment Act Displaced Worker Unit Verification.
- (E) Statement by an Unemployment Insurance representative.
- (F) Documentation that qualifies the employee as a dislocated worker under subdivision (c) or as a dislocated worker due to plant, facility, or enterprise closure under subdivision (d) showing long-term unemployment for at least 15 weeks prior to commencement of employment.

(2) To document that the employee has limited opportunities for employment or reemployment in the same or a similar occupation:

- (A) Screen print of California Employment Development Department Labor Market Information Division screens that indicates limited opportunities for employment or reemployment in the same or similar occupation.
- (B) Doctor's statement indicating employee's inability to return to previous industry/occupation due to physical limitations.
- (C) Vocational rehabilitation counselor's statement indicating the employee's inability to return to previous industry/occupation due to physical limitations.
- (D) Other third-party documentation that demonstrates the unavailability of similar employment in the employee's previous industry or profession.

(f) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee as a dislocated former self employed worker under Subdivision (b)(4)(A)(iv)(IV)(dd), the Applicant shall provide a combination of the following or other documents sufficient to demonstrate that the employee previously was self-employed and was unemployed prior to the commencement of employment due to economic conditions in the community or due to natural disaster:

- (1) Bankruptcy documents listing both the name of the business and the employee's name.
- (2) A business license or permit listing the employee's name.
- (3) Copy of articles of incorporation or documentation of dissolution for the business listing the employee as an owner.
- (4) Prior year's income tax return.

(g) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(ee) as a dislocated civilian employee of the Department of Defense employed at a military installation being closed or

realigned under the Defense Base Closure and Realignment Act of 1990, the Applicant shall provide a copy of the employee's termination notice and either a copy of a media article or announcement describing the layoff or closure, or an employer or union representative letter describing the layoff or closure.

(h) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(ff) as a dislocated worker who was an active member of the armed forces or National Guard as of September 30, 1990, and was involuntarily separated or separated pursuant to a special benefits program, the Applicant shall provide one of the following documents demonstrating that the employee meets the above qualifications:

- (1) Report of separation or discharge from the armed services or the National Guard.
- (2) Veterans Administration documentation.
- (3) Verification by State Veterans Agency.

(i) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(gg) as a dislocated worker due to seasonal unemployment, the Applicant shall provide one of the following documents demonstrating that the employee was a seasonal or migrant worker:

- (1) Documentation of employee's migrant employment in a seasonal occupation.
- (2) Employer or union representative letter describing seasonal layoff in employee's seasonal occupation.
- (3) Copies of termination notices identifying employer and employee.
- (4) Copies of employee's pay stubs identifying seasonal employer.

(j) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IV)(hh) as a dislocated worker due to Clean Air Act compliance, the Applicant shall provide a copy of the employee's termination notice and either a photocopy of a media article or announcement describing the reason for the layoff, or an employer or union representative letter stating that compliance with the Clean Air Act was the reason for the layoff.

(k) To demonstrate that, immediately preceding the commencement of employment with the Applicant, an employee is qualified as a disabled individual under Subdivision (b)(4)(A)(iv)(V), the Applicant shall provide the documentation required either by (1) or (2):

- (1) The Applicant shall provide one of the following documents demonstrating that the employee was disabled and is eligible for, enrolled in, or has completed a state rehabilitation plan:
 - (A) Physician's statement.
 - (B) Rehabilitation plan.
 - (C) Vocational rehabilitation letter.
 - (D) Verification by state or federal rehabilitation counselor.
 - (E) Letter from a state drug or alcohol rehabilitation agency.
 - (F) Medical records.

- (G) Social Security Administration disability records.
- (H) Social Service records/referral.

(2) The Applicant shall provide one of the following documents demonstrating that the employee is a service-connected disabled veteran:

- (A) DD-214 Defense Department Report of Separation.
- (B) Veterans Administration documentation.
- (C) Verification by State Veterans Agency.

(l) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(V) as a Vietnam era veteran or a veteran recently separated from military service, the Applicant shall provide one of the following documents demonstrating that the employee meets the above qualifications:

- (1) Report of separation or discharge from the armed services or the National Guard.
- (2) Veterans Administration documentation.
- (3) Verification by State Veterans Agency.
- (4) For purposes of this subdivision, "recently separated" means within 48 months preceding commencement of employment with the qualified taxpayer; and the term "Vietnam era veteran" means a veteran any part of whose active military service occurred between August 5, 1964, and May 7, 1975.

(m) To demonstrate that an employee is a qualified employee as an ex-offender under Subdivision (b)(4)(A)(iv)(VI), the Applicant shall provide one of the following documents verifying that immediately preceding commencement of employment the employee was an ex-offender as defined in subdivision 8461:

- (1) Court documents.
- (2) Letter of parole.
- (3) Letter from probation officer.
- (4) Police records.
- (5) A copy of a background check report or independent court records report showing the employee as an ex-offender as defined in subdivision 8461(e), signed by a background checking business or independent court records business, licensed and/or certified if required by California or federal law.
- (6) Other government document verifying ex-offender status, such as a letter from the Board of Prison Terms, or a letter from the Governor's Office.

(n) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(VII) as a recipient of, or eligible for, public assistance, the Applicant shall provide one of the following documents verifying that the employee was receiving, or was eligible to receive, the assistance immediately preceding the commencement of employment:

- (1) Public assistance award letter.
- (2) Benefit printout.
- (3) Current food stamp identification card or award letter.
- (4) Social Security Insurance award letter or check stub.
- (5) Refugee Cash Assistance.

- (6) Verification by Department of Social Services.
 - (7) Written statement from county welfare office or telephone verification by zone manager.
 - (8) Public assistance records/printout.
- (o) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(VIII) as a Native American, Native Samoan, Native Hawaiian, or member of another group of Native American descent, the Applicant shall provide one of the following documents:
- (1) Native American tribal record document.
 - (2) Certified Degree of Indian Blood (CDIB) card, issued by the Bureau of Indian Affairs.
 - (3) Documentation that the employee is a Native Samoan, Native Hawaiian, or a member of another group of Native American descent.
- (p) To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(IX) as a resident of a targeted employment area ("TEA"), as defined in Section 7072 of the Government Code, the Applicant shall provide a copy of the officially listed TEA address range and one of the following documents, verifying that the employee resided in a TEA immediately preceding the commencement of employment:
- (1) Form W-4
 - (2) Driver's license or State Identification Card.
 - (3) Landlord statement.
 - (4) Lease or rental agreement.
 - (5) Utility bill.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

s 8467. Voucher Appeals.

Appeal of a denial of a voucher application shall be made in accordance with the provisions of this Section.

- (a) All appeals shall be in writing and shall include the following information:
- (1) Name and address of the business, and, if applicable, the business's representative for the purposes of the appeal;
 - (2) Signature of the business or the business's authorized representative;
 - (3) Narrative discussion of why the denial should be reversed and any additional information or documentation not previously provided in support of the application; and,
 - (4) A copy of all denial notices.
- (b) A denial issued by a zone manager may be appealed to the zone manager within 60 calendar days of the date of the denial. The zone manager shall respond to the appeal, with a final decision in writing, within 60 calendar days of receipt of the appeal. The zone manager's final decision shall set forth the basis for the zone manager's decision to accept or reject the appeal and shall be sent to the Applicant and the Department.

(c) A final decision by a zone manager denying an application may be appealed to the Department within 30 calendar days of the date of the final decision by the zone manager. The Department shall have 90 calendar days from receipt of an appeal from an Applicant to issue a written response granting or denying the appeal.

(d) The decision of the Department shall be final, shall be rendered in writing, and shall be sent to the Applicant, the Applicant's authorized representative if applicable, and the zone manager. If the Department grants the appeal, the zone manager shall issue a voucher to the appealing party.

Note: Authority cited: Section 7086, Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086(d), Government Code; and Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code