

Developer Handover Document – Comprehensive Tax Credit Eligibility Calculator

Project name: Accrue Tax-Credit Comprehensive Calculator

Launch deadline: 31-Aug-2025

Primary KPI: ≥55% completion rate, ≥40% opt-in

What This Calculator Does

This quiz helps small business owners discover how much they could save in payroll tax credits. Most businesses only know about one type of credit (WOTC), but there are actually 4 different credits that can stack together for much bigger savings.

The goal: Show business owners their potential savings to motivate them to take action. We're not trying to calculate exact IRS amounts - just give them a realistic estimate that gets them excited.

The 4 Types of Credits We'll Calculate

1. WOTC Credit (What You Already Have)

Who qualifies: Veterans, people on food stamps, long-term unemployed, etc.

How much: \$1,200 - \$5,600 per person you hire

The deal: Government pays you for hiring people from certain groups

2. R&D Credit (New!)

Who qualifies: Businesses that spend money on research and development

How much: Up to \$250,000 per year

The deal: If you're improving your product or creating new stuff, you can get money back on payroll taxes

3. Empowerment Zone Credit (New!)

Who qualifies: Businesses in certain low-income neighborhood

How much: Up to \$3,000 per employee

The deal: Government wants to encourage jobs in these areas, so they'll pay you

4. State Credits (New!)

Who qualifies: Depends on your state (we'll start with California, New York, Texas)

How much: \$1,000 - \$5,000 per person you hire

The deal: Your state might have its own hiring bonuses on top of federal credits

How We'll Ask Questions (The User Journey)

Step 1: How Many People Did You Hire?

Question: "How many people have you hired in the last 12 months?"

Why we ask: This is the foundation for all our calculations

What they do: Type in a number

Step 2: Tell Us About Your Business

Questions we'll ask:

- "What state is your business in?" (dropdown menu)
- "What's your ZIP code?" (optional - helps us check for special zones)
- "Did you spend money on research and development in 2024?" (Yes/No)
- If yes: "How much did you spend?" (slider from \$5,000 to \$500,000+)

Why we ask: Different states have different programs, and R&D spending unlocks a big credit

Step 3: What Types of People Did You Hire?

Question: "Did you hire anyone from these groups in the last 12 months?"

What they see: Checkboxes with simple descriptions like:

- Military Veterans (up to \$5,600 per hire)
- People receiving food stamps (up to \$2,400 per hire)
- People unemployed for 6+ months (up to \$2,400 per hire)
- People from job training programs (up to \$2,400 per hire)
- People living in low-income areas (up to \$3,000 per hire) *only shows if they're in the right ZIP*
- [State-specific options] *only shows for certain states*
- "Not sure" (up to \$1,200 per hire)

Why we ask: Different groups get you different amounts of money

Step 4: Here's What You Could Save!

What they see:

- Big number: "Your estimated annual tax credits: \$XX,XXX"
- Breakdown showing each type of credit
- Form to get help claiming their credits

How We Calculate Each Credit Behind the Scenes

WOTC Credit (Same as Before)

The logic: Not everyone you hire will qualify, so we use conservative estimates:

- If they hired veterans: assume 20% of their hires were veterans
- If they hired food stamp recipients: assume 30% of their hires were on food stamps
- If they picked multiple groups: use whichever percentage is highest (don't add them together)

Example: They hired 10 people and picked "veterans" and "food stamps"

- Food stamps has higher rate (30%), so we use that
- $10 \text{ people} \times 30\% = 3 \text{ qualified hires}$
- $3 \text{ qualified hires} \times \$2,400 = \$7,200 \text{ credit}$

R&D Credit (New Logic)

The logic:

- Only count it if they spent at least \$5,000 on R&D
- Small spenders (\$5K-\$25K): 60% chance they'll qualify, average \$3,000 credit
- Medium spenders (\$25K-\$100K): 70% chance they'll qualify, average \$12,000 credit
- Big spenders (\$100K+): 80% chance they'll qualify, average \$35,000 credit

Example: They spent \$75,000 on R&D

- That's "medium" spending

- Base credit = $\$75,000 \times 20\% = \$15,000$
- Conservative estimate = $\$15,000 \times 70\% = \$10,500$

Empowerment Zone Credit (New Logic)

The logic:

- Only works if their business ZIP code is in a special zone
- We have a list of ZIP codes for cities like Atlanta, Baltimore, Chicago, etc.
- Assume 15% of their employees will qualify
- Each qualifying employee = \$3,000 credit

Example: They're in Chicago ZIP 60612 and hired 10 people

- That ZIP is in an empowerment zone ✓
- $10 \text{ people} \times 15\% = 1.5$, rounded to 2 qualified employees
- $2 \text{ employees} \times \$3,000 = \$6,000$ credit

State Credits (New Logic)

The logic: Each state is different:

- **California:** 25% of hires qualify, \$5,000 per person
- **New York:** 20% of hires qualify, \$3,000 per person
- **Texas:** 18% of hires qualify, \$2,500 per person

Example: California business hired 10 people

- $10 \text{ people} \times 25\% = 2.5$, rounded to 3 qualified hires
- $3 \text{ qualified hires} \times \$5,000 = \$15,000$ credit

Important: Which Credits Can Stack Together?

✓ These can combine:


- WOTC + R&D Credit (different types of taxes)
- WOTC + State Credits (most states allow this)
- R&D + State Credits (no conflicts)

✗ These conflict:

- WOTC + Empowerment Zone (same employee can't count for both)

Our system picks the higher amount when there's a conflict.


What The Results Will Look Like

 Your Business Could Save
\$27,300 in Annual Tax Credits

Here is the breakdown:

- └ WOTC Credit: \$7,200 (3 qualified hires)
- └ R&D Credit: \$10,500 (based on \$75K spending)
- └ California Hiring Credit: \$9,600 (3 qualified hires)

Total Savings: \$27,300 per year

 These credits reduce what you owe in taxes

Then we ask for their contact info with:

- "Want help claiming these credits?"
- "We guarantee we'll find your credits or your first payroll is free!"

The Copy and Headlines

Hero headline: "Find \$10,000+ in tax credits your business qualifies for"

Subheadline: "Most businesses only know about one type of credit. We'll find all 4."

Button text: "Claim your 90-day guarantee"

Guarantee: "We'll find your eligible tax credits, or your first payroll is free!"

Important disclaimers:

- "These are estimates based on government programs"
- "Actual amounts depend on IRS verification"
- "Talk to a tax professional for specific advice"

Timeline (When We'll Build Each Part)

Date	What We're Adding	Priority
Aug 15	WOTC + R&D Credit	Must Have
Aug 25	+ Empowerment Zone	Important
Aug 31	+ State Credits (CA, NY, TX)	Important
Sep 15	+ More States	Nice to Have

Success targets:

- At least 55% of people finish the quiz
- At least 40% give us their contact info
- Average estimate is at least \$8,000 (way up from \$3,000 now)

Technical Notes for Developers

How to store the rules: Put all the percentages, credit amounts, and ZIP codes in a separate file (JSON) so we can update them without changing code.

How to handle conflicts: When WOTC and Empowerment Zone both apply, automatically pick whichever gives more money.

Rounding: Always round final amounts to nearest \$100 (looks cleaner).

Mobile-friendly: Make sure it works great on phones since business owners will use this on the go.

This calculator will show business owners that they are leaving thousands of dollars on the table. Instead of just WOTC giving them ~\$3,000, they could be getting \$10,000+ from multiple programs they didn't even know existed.