



DEPARTMENT OF REVENUE

Municipal Services Building, Concourse Level
1401 JFK Boulevard
Philadelphia, Pennsylvania 19102-1676

Commissioner Frank Breslin
Chief Revenue Collections Officer
Kathleen McColgan
Deputy Revenue Commissioner
Tax Revenue Bureau

NEW W-2/1099 NOTICE REQUIREMENTS FOR BUSINESSES

Businesses are required to send electronic or hardcopy notifications to their employees regarding the two programs detailed below by no later than **February 1, 2019**.

The Federal Earned Income Tax Credit (“EITC”):

Section 19-4000 of the Philadelphia Code states that the policy of the City of Philadelphia is for every eligible Philadelphian to apply for and receive the maximum **federal Earned Income Tax Credit (“EITC”)**. This refundable federal credit is available to low to moderate income individuals and families and can be claimed when filing a federal tax return. With an average benefit of \$2,500 per return, EITC provides millions of hard-working Americans with a needed financial boost every year. Despite this, thousands of Philadelphia residents are not claiming EITC, resulting in millions of dollars being left out of our local economy.

What does our business have to do?

Employers are required to provide employees with a Department of Revenue notice that provides details regarding the free tax preparation and filing services provided by the City. Notification must be made at the same time employers provide the employees with a W-2, 1099, or comparable form.

The notice is available for download at www.phila.gov/revenue/EITC.

The City of Philadelphia Income-based Wage Tax Refund Program:

Section 19-1500 of the Philadelphia Code authorizes the reduction of the Wage and Net Profit Taxes by 0.5% for taxpayers eligible for the Pennsylvania Special Tax Forgiveness (“Schedule SP”) of the Pennsylvania Personal Income Tax Return. Eligible Philadelphia Wage taxpayers may petition the Department for a refund using an Income-based Wage Tax Petition.

What does our business have to do?

Employers must send W-2 employees an Income-based Wage Tax Petition that can be filed with the Department of Revenue for a refund of the 0.5% in Wage Tax withheld. Employers may not reduce their employees’ Wage Tax withholding.

The Income-based Wage Tax Petition is available for download at www.phila.gov/Revenue/taxpro/Pages/refundpetitions.aspx.

For more information:

Please visit www.phila.gov/revenue, contact us by phone at 215-686-6600, or email revenue@phila.gov.