

DEPARTMENT OF REVENUE

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

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

W-2/1099 NOTICE REQUIREMENTS FOR BUSINESSES

The City of Philadelphia requires businesses to send electronic or hardcopy notifications to their employees about the two programs detailed below no later than **February 1, 2021**.

The Federal Earned Income Tax Credit ("EITC")

Section 19-4000 of the Philadelphia Code states that the policy of the City 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. It can be claimed when filing a federal tax return. With an average benefit of \$2,525 per return, EITC provides millions of hard-working Americans with a needed financial boost every year. Yet thousands of Philadelphia residents are not claiming EITC, denying our local economy millions of dollars.

What must your business do?

Employers are required to provide employees with a Department of Revenue notice. The notice tells employees about free tax preparation and filing services. It must be provided at the same time employees receive a W-2, 1099 or comparable forms. You can do this electronically or provide a printed copy which can be downloaded 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 1.5% for taxpayers eligible for Special Tax Forgiveness ("PA Schedule SP") of the Pennsylvania Personal Income Tax Return. Eligible Philadelphia taxpayers may petition the Department for a refund using an Income-based Wage Tax petition.

Continuing in Tax Year 2020

If you filed your Wage Tax annual reconciliation electronically in 2019, you will not receive a paper form.

Please continue to file electronically.

What must your business do?

Employers must send employees who receive a W-2 an Income-based Wage Tax petition that can be filed with the Department of Revenue for a refund of 1.5% of the Wage Tax withheld. Employers may not reduce their employees' Wage Tax withholding. Download the petition at www.phila.gov/revenue/wage-tax-petition.

For more information:

Visit www.phila.gov/revenue, call **(215) 686-6600** or email revenue@phila.gov.

For translation services please call (215) 686-6600.

Para servicios de traducción, llame por favor (215) 686-6600.

لخدمات الترجمة ، يرجى الاتصال (215) 686-6600

Đối với dịch vụ dịch thuật, vui lòng gọi (215) 686-6600

Pour des services de traduction, appelez SVP (215) 686-6600.

如有翻译服务需要, 请致电 (215) 686-6600.

번역 서비스는 (215) 686-6600 으로 전화하십시오.