

DEPARTMENT OF REVENUE

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

Commissioner Frank Breslin
Chief Revenue Collections Officer
Kathleen McColgan
First Deputy Revenue Commissioner

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, 2022**.

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 around \$2,500 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 provides your workers with information about eligibility and free tax preparation services. You must provide it at the same time you give employees their W-2, 1099 or comparable forms. You can do this electronically or provide a printed copy that 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 to 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.

Wage Tax filing and payment changes

You can file your 2021 Wage Tax annual reconciliation online at tax-services.phila.gov **Starting in 2022**, you must file quarterly Wage Tax returns.

What must your business do?

Employers must send workers who receive a W-2 an Income-based Wage Tax petition, which can be filed with the Department of Revenue for a refund of 1.5% of the Wage Tax withheld. Employers may not reduce 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.

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

خدمات الترجمة، يرجى الاتصال (215) 686-6600

如有翻译服务需要，请致电 (215) 686-6600.

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

번역 서비스는 (215) 686-6600 으로 전화하십시오.