

DEPARTMENT OF REVENUE

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

Acting Commissioner Kathleen McColgan
Chief Revenue Collections Officer
Delores Davis
Acting First Deputy Revenue Commissioner

W-2/1099 NOTICE REQUIREMENTS FOR BUSINESSES

The City of Philadelphia requires businesses to send electronic or hard copy notifications to their employees about the programs detailed below no later than **February 1, 2024**.

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 \$2,200 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 over \$100 million every year.

The Federal Child Tax Credit (“CTC”)

In addition, the [federal Child Tax Credit \(CTC\)](#) gives parents and guardians up to \$2,000 per qualifying dependent, regardless of their working status. Like EITC, the Child Tax Credit can be claimed when filing a federal tax return, even if you didn’t work, earn any income, or owe taxes. Since this incentive doesn’t count as an income, receiving the Child Tax Credit (CTC) won’t affect taxpayers’ eligibility or participation in programs like SNAP, Medicaid, or most other benefits.

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 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](#).

There is no longer an annual Wage Tax reconciliation. Since 2022, you must file quarterly Wage Tax returns online at tax-services.phila.gov

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. Taxpayers can download the petition at phila.gov/revenue/wage-tax-petition. For more information, visit phila.gov/revenue, call (215) 686-6600, or email revenue@phila.gov.

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