



Senate Finance Committee

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BILL SUMMARY

SENATE BILL 207, PN 213 (SENATOR FONTANA)

Summary:

This legislation, the Earned Income Tax Credit Notification Act, provides for earned income tax credit notification.

Specifically, Senate Bill 207 provides that every employer of employees shall notify all of its employees that they may be eligible for the EITC within one week of the time that the employer provides an annual wage summary, including a form W-2 or a Form 1099, to any employee.

The employer shall meet the notification requirements by completing all of the following:

1. Every employer shall prominently post a notification in every workplace in a location or locations where notices are normally posted.
2. Every employer shall annually include written notification of an employee's potential eligibility for the EITC through hand delivery or inclusion of the notification in the employee's annual wage summary, including a form W-2 or a form 1099.

The Department of Revenue shall designate a standard notification for use by employers that shall include all of the following:

1. A statement indicating that the employee may be eligible for the EITC.
2. Information identifying the forms necessary to apply for the EITC.
3. Relevant telephone numbers and Internet websites for the information.

Background:

The federal EITC program is designed to supplement the wages of low to moderate income working families. Since its inception, the program has promoted the value of work and lifted working families out of poverty. Across the United States, over 20 million working families have benefitted from this program. Despite its success, estimates show that 15 to 25 percent of eligible families fail to apply for the EITC.

The enactment of legislation similar to Senate Bill 207 in other states has promoted greater awareness of the program and resulted in additional families applying for the EITC.

Prior Legislation:

This legislation was introduced by Senator Fontana as Senate Bill 1354 of the 2007-08 legislative session.