

## Legislation Text

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**File #:** 170245, **Version:** 1

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Amending Chapter 19-4000 of The Philadelphia Code, entitled "Income Inequality Initiative - Earned Income Tax Credit," by revising the City's EITC Policy, including by expanding it to include non-residents who work in the City, all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 19-4000 of The Philadelphia Code is hereby amended to read:

CHAPTER 19-4000. INCOME INEQUALITY INITIATIVE - EARNED INCOME TAX CREDIT.

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§ 19-4002. Statement of EITC Policy.

It is the policy of the City to enable all persons who live *or work* in Philadelphia and who are potentially eligible for the EITC to apply for and receive the maximum credit to which they are entitled.

§ 19-4003. [Implementation of EITC Policy.] *Reserved.*

[The Department is authorized to develop within ninety (90) days of the date that this Chapter first becomes law an EITC Policy Implementation Manual that sets forth a detailed strategy to identify, contact, and enroll by April 17, 2015 (the deadline to file 2014 tax returns and to file amended tax returns to receive EITC for 2011) all EITC-eligible persons residing in Philadelphia. The Manual should also provide a strategy for achieving the City's EITC Policy on an ongoing basis, and it should be continually updated to reflect the Department's increasing experience and expertise. The City's strategy may include, among other components, providing residents who failed to claim the EITC in prior years with prepared returns, contracting with interested non-profits to provide free federal tax filing assistance, and engaging in community outreach.]

§ 19-4004. Duty to Provide Notice of EITC Program.

Beginning with calendar year 2015 and each year thereafter:

(1) Each employer shall *on an annual basis* provide each employee residing *or working* in Philadelphia from whom it withholds taxes an EITC Notice at the same time that it provides the employee with his or her federal W-2 or comparable form.

(2) A person or business that is required to provide a non-payroll worker residing *or working* in Philadelphia with a federal form 1099 or comparable form shall *on an annual basis* provide each such worker with both the federal form and an EITC Notice at the same time.

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§ 19-4005. Reporting Requirements.

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(2) Beginning on July 1, 2015, and on that date each year thereafter, the Finance Director shall submit to Council, together with the Mayor's proposed operating budget ordinance, an EITC Policy Implementation Report. *The Finance Director shall post a copy of the Report on the City's website.* The Report shall provide the following information:

(a) A detailed assessment of the progress made *by the City* over the [preceding] *previous* calendar year in executing the City's EITC [Policy, including] *Policy*. *This should include the City's outreach efforts and strategy to identify, contact and enroll, by each year's respective tax filing deadline, all EITC-eligible persons residing or working in the City of Philadelphia. The City's strategy may include, among other things, a plan to accurately identify and enroll those who live or work in the City and who failed to claim the EITC in prior years, contracting with interested non-profits to provide free tax filing assistance, and engaging in community outreach;*

(b) [the] *The* most recently available data on the number of Philadelphia residents receiving EITC, the number of Philadelphia residents eligible for EITC, and the gap between the two, as well as those numbers for prior years; [the steps taken by the City to implement the EITC Policy; and proposed measures for the succeeding calendar year;]

[(b) Budget information with respect to the past and projected cost of implementing the strategy contained in the EITC Policy Implementation Manual. Such information shall include a description by position (with respect to City employees) and contract (with respect to third-party providers) the responsibilities of those persons engaged in executing the City's EITC Policy; and]

(c) *Commencing in calendar year 2018, the following additional information:*

*(1) A detailed listing of all financial expenditures made towards the implementation of the City's EITC Policy. This should include, but is not limited to, expenditures relating to the following:*

*(A) Community engagement and outreach efforts;*

*(B) Marketing, advertising and personal relations;*

(C) *Free tax preparation sites and filing efforts;*

(D) *Communications efforts;*

(E) *Personal services and administrative costs;*

(.2) *In addition, all expenditure information shall also include, but is not limited to:*

(A) *An itemized list of all recipients (including non-profit organizations, accounting firms, city departments or any third parties) who received funds from the City relating to the implementation of the City's EITC Policy;*

(B) *A listing of any contracts entered into by the City and the amount and scope of the contract;*

(C) *Detail related to the process for contract selection and the percentage of M/W/DSBE participation as it relates to total EITC policy implementation expenditures; and*

[(c)](d) Such other information as the Department deems appropriate or that Council by resolution requests.

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SECTION 2. This Ordinance shall be effective immediately, provided that the amendments to §19-4004 shall apply for tax year 2017 and thereafter.

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**Explanation:**

[Brackets] indicate matter deleted.

*Italics* indicate new matter added.