

Earned Income Tax Credit

In accordance with Texas Labor Code 104.004 (a) and HB 2360 passed during the 81st Texas Legislative Regular Session, employers (a person who employs 1 or more employees) must notify all of their employees (an individual who is employed by an employer for compensation) of the federal earned income tax credit (EITC) general eligibility requirements, no later than March 1 of each year. The EITC is a refundable federal income tax credit for low to moderate income working individuals and families.

How may an Employer provide notice to its employees?

1. In person;
2. Electronically at the employee' s last known e-mail address;
3. Through a flyer included, in writing or electronically, as a payroll stuffer; or
4. By mailing the information to the employee at the employee' s last known address by United States first class mail.

Employers may use IRS Notice 797, or a written statement with the same wording as IRS Notice 797 when notifying employees. IRS Notice 797 provides employees with the basic information for EITC.

There are several websites created to assist employees with additional information, eligibility requirements, general overview and income guidelines for EITC.

For more information, go to: <http://www.eitc.irs.gov/central/Preview2009> or, <http://www.twc.state.tx.us/welref/wrjseek.html>