



Electronic Alert

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BOLI's Proposed Rules for the Earned Income Tax Credit Notice Requirements: Takeaways for Employers

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Earlier in 2017, the Oregon Legislature enacted SB 398, requiring employers to provide written notice to each employee about both state and federal earned income tax credits (EITC). EITC is a benefit for working people with low to moderate income and may reduce the amount of taxes owed, and in some cases, may provide a refund. The notice requirement under the new law provides that employers include information regarding EITC annually with employees' Form W-2s, as well as in the minimum wage poster.

The Bureau of Labor and Industries (BOLI) filed its notice of proposed rulemaking at the end of November 2017 in relation to the new bill. On December 26, 2017, BOLI extended the public comment deadline until today, January 2, 2018.

Under the proposed adoption rules, the notice must be in English and in the language the employer typically uses to communicate with employees. Additionally, the notice must be sent by regular or electronic mail contemporaneously to or with the mailing of the employee's federal Form W-2, and contain state and federal website addresses to access information about EITC. The rule also provides that BOLI will create a template that employers can use to give notice to employees or to include on the minimum wage poster. In fact, BOLI's employer technical assistance webpage already contains template notice language should employers need guidance now.

While the rules are not final, SB 398 went into effect in September 2017, so employers should be prepared to include EITC notice requirements as proposed when sending out W-2s this month.

For questions relating to BOLI's proposed rules for earned income tax credit notice requirements, contact Allison Jacobsen at (503) 276-2197 or ajacobsen@barran.com.