

This Week in State Tax WIST

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Colorado: Notice Must be Provided to Employees on Certain Tax Credits

House Bill 23-1006, which was recently signed into law in Colorado, requires employers to annually notify employees of the availability of certain state and federal credits. Specifically, for income tax years beginning on and after January 1, 2023, in addition to the annual withholding tax notice, an employer must provide written notice to all employees informing them of the availability of the federal earned income tax credit, the federal child tax credit, the state earned income tax credit, and the state child tax credit. The written notice may be provided electronically or via text message and must be in English and in any other language that the employer normally uses to communicate with the employee. The Department of Revenue is authorized to promulgate rules specifying additional content employers must include in the notice. Please stay tuned to TWIST for additional legislative updates.

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