

LOCAL WORKSHEET (Moved During the Year)

PART YEAR RESIDENT

Residence #1 _____ Dates _____ to _____ Length of Time _____

Residence #2 _____ Dates _____ to _____ Length of Time _____

INCOME PRORATION (_____)		Residence # 1 COMPLETE ADDRESS	
Employer # 1 _____			
Local Income \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Withholding \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Employer # 2 _____			
Local Income \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Withholding \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Residence #1	Total Income _____	Total Withholding _____	

INCOME PRORATION (_____)		Residence # 2 COMPLETE ADDRESS	
Employer # 1 _____			
Local Income \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Withholding \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Employer # 2 _____			
Local Income \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Withholding \$	_____ / 12	X _____	= _____
		<small># of months at this residence</small>	
Residence #2	Total Income _____	Total Withholding _____	

NON-RECIPROCAL STATE WORKSHEET

(See Instructions line 10)

EARNED INCOME: Taxed in other state as shown on the state tax return.

Enclose a copy of state return or credit will be disallowed (1) _____

Local tax 1% or as specified on the front of this form X _____

(2) _____

Tax Liability Paid to other state(s) (3) _____

PA Income Tax (line 1 x PA Income Tax rate for year being reported) (4) _____

CREDIT to be used against Local Tax

(Line 3 minus line 4) On line 10, enter this amount

or the amount on line 2 of worksheet, whichever is less. (If less than zero, enter zero) (5) _____

Please send completed return with all attachments to the appropriate address below:

<i>Refund/Credit</i>	<i>Payment</i>	<i>No Refund / No Credit / No Payment</i>
Berkheimer Tax Administrator	Berkheimer Tax Administrator	Berkheimer Tax Administrator
PO Box 903	PO Box 905	PO Box 907
Bangor, PA 18013	Bangor, PA 18013	Bangor, PA 18013

A NOTE FOR RETIRED AND/OR SENIOR CITIZENS

IF YOU ARE RETIRED AND ARE NO LONGER RECEIVING A SALARY, WAGES OR INCOME FROM A BUSINESS, YOU MAY NOT OWE AN EARNED INCOME TAX.

SOCIAL SECURITY PAYMENTS, PAYMENTS FROM A QUALIFIED PENSION PLAN AND INTEREST ACCRUED FROM BANK ACCOUNTS ARE NOT SUBJECT TO THE LOCAL EARNED INCOME TAX.

IF YOU RECEIVED A LOCAL EARNED INCOME TAX FORM AND ARE RETIRED WITH NO EARNED INCOME, PLEASE CHECK THE APPROPRIATE BOX ON THE FORM AND RETURN.

IF YOU STILL RECEIVE WAGES FROM A PART-TIME EMPLOYER OR BUSINESS, YOU WILL NEED TO FILE AND PAY THE EARNED INCOME TAX.

LOCAL EARNED INCOME TAX RETURN

I1832-WEB
022412

A. GENERAL INSTRUCTIONS

1. **WHEN TO FILE:** This return must be completed and filed by all persons subject to the tax on or before April 15 (unless the 15th is a Saturday or Sunday then file the next business day), regardless of whether or not tax is due. If you file a Federal or State Application for Extension, check the extension box on the front of the form and send this form along with your estimated payment by April 15, unless the 15th is a Saturday or Sunday, then by the next business day. If you use a professional tax preparer verify if you are responsible to submit your final return or if it was submitted for you.
2. **WHERE TO FILE:** Remit to the address printed on the tax return or see if you are eligible to file online at www.berk-e.com.
3. **EFFECTIVE DATES:** January 1 through December 31, unless otherwise noted on your Local Earned Income Tax Return.
4. **AMENDED RETURN:** If a taxpayer amends his federal income tax return, an amended Local Earned Income Tax Return must also be filed with this office.
5. **RECEIPT / COPY:** Your cancelled check is sufficient proof of payment.
6. **PENALTY AND INTEREST:** If for any reason the tax is not paid when due, Penalty and Interest will be charged.
7. **ROUND OFF CENTS** to the nearest whole dollar. Do not include amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar amount.
8. **USE BLACK OR BLUE INK ONLY WHEN COMPLETING THIS FORM.**

B. REGULATIONS/LINE BY LINE INSTRUCTIONS

LINE 1: GROSS EARNINGS FOR SERVICES RENDERED

DOCUMENTATION REQUIRED: W-2(S) must be enclosed (photocopies are accepted).

TAXABLE INCOME INCLUDES: Salaries; Wages; Commissions; Bonuses; Tips; Stipends; Fees; Incentive Payments; Employee Contributions to Retirement Accounts; Compensation Drawing Accounts (if amounts received as a drawing account exceed the salaries or commission earned, the tax is payable on the amounts received. If the employee subsequently repays to the employer any amounts not in fact earned, the tax shall be adjusted accordingly); Benefits accruing from the employment, such as: Annual Leave, Vacation, Holiday, Separation, Sabbatical Leave; Compensation received in the form of property shall be taxed at its fair market value at the time of receipt; Jury Duty Pay; Payments received from weekend meetings for National Guard or Reserve Units; Sick Pay (if employee received a regular salary during period of sickness or disability by virtue of his agreement of employment); Taxes assumed by the Employer.

NON-TAXABLE INCOME INCLUDES: Social Security Benefits; Unemployment Compensation; Pensions; Public Assistance; Death Benefits; Gifts; Interest; Dividends; Boarding and Lodging to employees for convenience of employer; Lottery Winnings; Supplementary unemployment benefits (sub pay); Capital Gains (Capital losses may not be used as a deduction against other taxable income); disability benefits (Periodical payments received by an individual under a disability insurance plan.); Active military service; personal use of company cars; cafeteria plans; and clergy housing allowance. Some forms of payments from Individual Retirement Programs, such as Keogh, Tax Shelter Annuity, IRA, and 401K are not taxable. Taxpayer should refer to the PA Department of Revenue regulations regarding taxable compensation.

LINE 2: ALLOWABLE EMPLOYEE BUSINESS EXPENSES

DOCUMENTATION REQUIRED: Pennsylvania form PA-UE must be enclosed (photocopies are accepted).

LINE 3: **TAXABLE EARNINGS:** Subtract line 2 from line 1.

LINE 4: NET PROFITS/NET LOSSES FROM BUSINESS

DOCUMENTATION REQUIRED: 1099(s), PA schedules C, E, F, or K-1 must be enclosed (photocopies are accepted).

RULE: A taxpayer may NOT offset a business loss against wages and other compensation (W-2 earnings -- line 1). "Pass-through" income from an S-Corporation is NOT taxable and loss is not deductible. A taxpayer may offset a loss from one business entity against a net profit from another business entity.

LINE 5: **TOTAL EARNED INCOME** subject to tax: Add lines 3 and 4.

LINE 6: **TAX LIABILITY:** Multiply line 5 by tax rate printed on the tax return. For example, if 1% use .01, if 1/2% use .005.

LINE 7: **QUARTERLY ESTIMATED PAYMENTS:** List any quarterly estimated payments made to date for appropriate filing year. Do not include any penalty and interest amounts that may have been made with the quarterly payments.

LINE 8: **EARNED INCOME TAX WITHHELD:** You may claim credit for local tax withheld as shown on your W-2 form, but only up to the rate of tax printed on line 6 of the tax return. Do not claim entire amount of tax withheld if it is greater than the tax rate for your resident taxing jurisdiction.

LINE 9: **CREDIT FROM LAST YEAR:** State the amount of tax overpaid as listed on your previous year's return to be applied to current tax liability.

LINE 10: MISCELLANEOUS CREDITS

GENERAL RULES APPLICABLE TO ALL LINE 10 CREDITS: (1) Credits for income taxes paid to other states must first be used against your Pennsylvania state income tax liability; any credit remaining thereafter may be used against your local earned income tax liability. (2) Credits for income taxes paid to political subdivisions located outside of Pennsylvania or for wage taxes paid to Philadelphia may be taken directly against your local earned income tax liability. (3) In calculating your credit for income taxes paid to another state or to a political subdivision, note that the same items of income must be subject to both your local earned income tax and the out-of-state tax. (4) **No credit for income taxes paid to another state or political subdivision may exceed your total local earned income tax liability.**

CREDIT FOR TAXES PAID TO OTHER STATES: You may take a credit based upon the gross earnings taxed both in another state and in Pennsylvania that is in excess of Pennsylvania state personal income tax rate. THIS CREDIT WILL BE DISALLOWED IF THE FOREIGN STATE RETURN AND YOUR W-2 FORM SHOWING STATE INCOME TAX WITHHELD IS NOT PROVIDED. **No credits are given for state income taxes paid to states that reciprocate with the Commonwealth of Pennsylvania. These states are: Maryland, New Jersey, Ohio, Virginia, West Virginia, and Indiana.**

EXAMPLE: Taxpayer earned wages of \$10,000.00 in Delaware and paid an income tax liability to that state of \$317.00. Assuming the current Pennsylvania state tax rate is 3.07% for the tax year in question, since the \$317.00 exceeds 3.07% (PA Tax) amount of \$307.00 by \$10.00, the \$10.00 may be credited against your local income tax.

Gross Income	(1)	\$10,000.00
Local Tax 1%		<u>x .01</u>
	(2)	100.00
Tax paid to Delaware	(3)	317.00
PA Income Tax (3.07% x \$10,000.00)	(4)	<u>307.00</u>
Credit to be used against Local Tax (Line 3 minus Line 4)		
On Line 10 of the tax return, enter this amount or the amount on Line 2 of worksheet, whichever is less	(5)	<u>10.00</u>

If all your wages or gross earnings are subject to Delaware State Income Tax (not PA), use the above example to complete your tax obligation on Worksheet located on the reverse side of the tax return.

If you had earned income *NOT* taxed by Delaware, this income would be subject to the earned income tax effective in your district and must be shown separately on the Local Earned Income Tax Return. You may not use any tax paid to another state as credit on earnings outside the other state.

CREDIT FOR TAXES PAID TO POLITICAL SUBDIVISIONS OUTSIDE OF PENNSYLVANIA: You may take a credit based upon the gross earnings taxed in both another political subdivision and in your home taxing district in Pennsylvania. THIS CREDIT WILL BE DISALLOWED IF THE FOREIGN CITY RETURN AND/OR YOUR W-2 FORM SHOWING CITY INCOME TAX WITHHELD IS NOT PROVIDED.

CREDIT FOR TAXES TO PHILADELPHIA: You may use any wage tax paid to Philadelphia as a credit on wages, salaries and commissions, etc., or net profits earned outside Philadelphia. You are not liable for duplicate payment of a Wage Tax to your resident district. You must complete the Local Earned Income Tax Return. A COPY OF YOUR W-2 AND/OR VERIFICATION OF TAXES PAID MUST BE ENCLOSED WITH THE FORM OR CREDIT WILL BE DISALLOWED. No refunds or credits will be allowed for any overpayment made to Philadelphia. On line 10 of the tax return, enter the amount of Philadelphia wage tax paid.

CREDIT FOR TAXES PAID TO PITTSBURGH: If you work in the City of Pittsburgh and the Pittsburgh Earned Income Tax was withheld by your employer for the City of Pittsburgh, you must apply for a refund directly from the City. Earned Income Taxes are due to the municipality/school district in which you reside, not where you work. To obtain refund forms from the City of Pittsburgh, you may call 412-255-2524. You can download the form from their website at www.city.pittsburgh.pa.us/finance. The City tax office will supply you with the proper forms to be filed with them for a refund. Before these refund forms can be filed with the City, they must be signed by the tax collector in your municipality/school district verifying that taxes for the year in question have been paid to the proper taxing authority. You may come into our office to have this form signed or mail it with a self-addressed, stamped envelope. We will return it to you as soon as possible.

LINE 11: TOTAL: Enter the sum of lines 7+8+9+10.

LINE 12: OVERPAYMENT OF TAX: If tax (line 6) is less than your credits (line 11), enter amount of overpayment. If you have an overpayment of taxes in excess of \$1.00, you may elect to receive a refund or take same as credit against the next year's tax liability. A 1099 will be issued to the Federal Government for any credit or refund in excess of \$10.00. *Refunds:* If you fail to check either box under line 12 to indicate either a credit or a refund, a refund will be issued to you. If you elect to take a credit against next year's liability, a Federal 1099 for the amount of the credit given for the next tax year will be issued to you and to the Federal Government.

LINE 13: AMOUNT OF TAX DUE: If tax (line 6) is larger than your credits (line 11), enter amount of tax due. If less than \$1.00, ENTER ZERO.

LINE 14: INTEREST AND PENALTIES: If for any reason the tax is not paid when due, interest at the rate of six percent per annum on the amount of said tax, and an additional penalty of one-half of one percent of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. Additional costs will be charged for any return received after the due date.

LINE 15: TOTAL AMOUNT DUE: The sum of lines 13 + 14. OMIT IF LESS THAN \$1.00.

LINE 16: Write each account's total Earned Income Tax (figures from line 5 on front of form) on line 16.

BOX 17: Write each account's total amount due on line 17.

BOX 18: Write total amount of enclosed check in line 18.

NOTE: All accounts are subject to audit and review. Local or city copy of W-2 and/or supporting schedules must be enclosed with tax return. (Photocopies of W-2s and schedules are accepted).