

FILING

YATB offers two methods of filing your Local Earned Income Tax Return. Taxpayers are encouraged to complete and file their returns electronically via the internet through **PALite** or forms may be completed and filed manually using the Taxpayer Annual Local Earned Income Tax Return form (32-1) and forwarding to YATB at the applicable mailing address as shown below.

Benefits of electronically filing your return through **PALite**:

- *Safety*: Stringent security safeguards are utilized to protect your information.
- *Assistance*: The system performs math calculations for you.
- *Time*: YATB is able to process returns in a fraction of the time compared to manually filed paper returns.
- *Confirmation*: Upon **submitting your return** with **PALite**, you will receive confirmation that your return has been electronically transmitted and received.

Eligibility and exclusion provisions, including complete instructions and conditions, can be found on the **PALite** individual online filing webpage which may be accessed through YATB's website at www.yatb.com.

Reminder: When filing electronically through **PALite**, do not mail a copy of your return to YATB - retain it for your records.

MAILING ADDRESSES

For individual taxpayers who are filing as residents of **Adams County**

If you have an amount due as shown on **Line 19**:

**YORK ADAMS TAX BUREAU
PAYMENT ENCLOSED
PO BOX 4374
GETTYSBURG, PA 17325-4374**

If you are requesting a refund due as shown on **Line 14**:

**YORK ADAMS TAX BUREAU
REFUND DUE
PO BOX 4343
GETTYSBURG, PA 17325-4343**

If you have no payment amount or refund due...**Lines 14 and 19** are 0 (zero):

**YORK ADAMS TAX BUREAU
NO PAYMENT/NO REFUND DUE
PO BOX 4344
GETTYSBURG, PA 17325-4344**

For individual taxpayers who are filing as residents of **York County***

If you have an amount due as shown on **Line 19**:

**YORK ADAMS TAX BUREAU
PAYMENT ENCLOSED
PO BOX 15627
YORK, PA 17405-0156**

If you are requesting a refund as shown on **Line 14**:

**YORK ADAMS TAX BUREAU
REFUND DUE
PO BOX 15629
YORK, PA 17405-5629**

If you have no payment amount or refund due...**Lines 14 and 19** are 0 (zero):

**YORK ADAMS TAX BUREAU
NO PAYMENT/NO REFUND DUE
PO BOX 15628
YORK, PA 17405-5628**

*York County taxpayers who are filing as residents of the West Shore School District (including the municipalities of Fairview Township, Newberry Township and Goldsboro Borough) are required to file with the **Cumberland Tax Bureau**, www.cumberlandtax.org, Phone 717-590-7997.

YATB OFFICE LOCATIONS

York County Office:

York Adams Tax Bureau
1405 North Duke Street
York, PA 17404
Phone: 717-845-1584

Adams County Office:

York Adams Tax Bureau
240 West Street
Gettysburg, PA 17325
Phone: 717-334-4000

FILING DUE DATE

Your return must be completed and filed on or before April 15 (unless the 15th falls on a Saturday, Sunday or Federal Holiday...then it must be filed the following business day). The Postal Service postmark date on your envelope is to serve as proof of your filing date. If you cannot file by the due date, you may request an extension by filing the Individual Taxpayer Annual Local Earned Income Tax Return form with your name, address and social security information and check the box indicating

EXTENSION at the top of form and forward to the applicable YATB office. If you do not file your return by the due date, late filing penalties and interest charges may apply.

WHO MUST FILE A LOCAL EARNED INCOME TAX RETURN?

A Taxpayer Annual Local Earned Income Tax Return form must be filed by all persons subject to the local earned income tax regardless of whether or not any tax amount is due.

Disabled – If you became disabled during the tax year, please check applicable box and indicate date when disability occurred.

Deceased – If filing on behalf of an individual who passed away during the tax year, please check applicable box and indicate date of death.

Retired – If you retired during the tax year, please check the applicable box and indicate date of retirement.

If you file an amended Federal or State income tax return, an amended Local Earned Income Tax Return must also be filed with YATB. Please complete a Taxpayer Annual Local Earned Income Tax Return form and check the box indicating **AMENDED RETURN** at the top of form and forward to the applicable YATB office.

SUPPORTING DOCUMENTS

A return is not deemed complete until all required supporting documentation and schedules have been filed. Failure to provide required documentation and schedules may not only delay processing of your return, but may also subject you to late filing penalties.

ENTERING INFORMATION

- **Your Address** – If you are using a return form that shows a pre-printed name/address and the information is incomplete or contains errors, please cross out the incorrect information and print any changes as necessary. For proper distribution of your local earned income tax, your actual street address **MUST** be provided. If you utilize a PO Box for receipt of mail, this would be shown in *addition* to your actual street address on the second line of address. If you have moved during the year, please supply your prior address information and dates residing at each location in the spaces provided at the top of your return form.
- **Phone Number** – Enter the area code and phone number where you can be reached during weekdays.
- **Resident PSD Code** – The Resident PSD Code is a six-digit number that references the county tax collection district, school district and municipality in which you reside. Please enter the six digit PSD code *where you lived on December 31* even if you moved after December 31. For PSD Code information please refer to our website or contact YATB.
- **Social Security Number(s)** – Carefully enter your SSN, and your spouse's SSN if applicable, in the boxes provided on your local earned income tax return form.

- **Rounding Numbers** – On the Local Earned Income Tax Return form, round monetary amounts to the nearest whole dollar. Reduce any amount that is *less than* 50 cents to 0 (zero) and increase amounts from 50 to 99 cents to the next dollar amount.

Example: \$4.49 should show as \$4.00, \$4.50 should show as \$5.00

Exception: Rounding will not apply to amounts calculated and shown in **Lines 17, 18 and 19**.

INDIVIDUAL TAXPAYER ANNUAL LOCAL INCOME TAX RETURN INSTRUCTIONS

Line 1: Gross Compensation

DOCUMENTATION REQUIRED: W-2(s) must be enclosed (legible copies accepted)

Rule: Do not use Federal Wages as shown in box 1 of W-2

Taxable Local EIT Compensation includes: Salaries, Wages, Commissions, Bonuses, Tips, Stipends, Fees, Incentive Payments, Employee Contributions to Retirement Accounts (If amounts received as a drawing account exceed the salaries or commissions 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 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 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 their agreement of employment), and Taxes Assumed by the Employer. Taxpayers should refer to the PA Department of Revenue regulations regarding taxable compensation. This list is not exhaustive; please contact YATB if you have additional questions.

Non-Taxable Local EIT Compensation 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 outside of PA and Summer Encampment, Personal Use of Company Vehicles, Cafeteria Plans, and Clergy Allowance. Some forms of payments from Individual Retirement Programs such as; Keogh, Tax Shelter Annuity, IRA, and 401K are not taxable. Taxpayers should refer to the PA Department of Revenue regulations regarding taxable compensation. This list is not exhaustive; please contact YATB if you have additional questions.

Line 2: Unreimbursed Employee Business Expenses

DOCUMENTATION REQUIRED: Pennsylvania Department of Revenue form **PA-UE** must be enclosed (legible copies accepted). All expenses are subject to verification by YATB.

Line 3: Other Taxable Earned Income

Include income, from work or services performed, which has not been included on **Line 1** or **Line 5**. Do not include interest, dividends or capital gains. Please provide explanation and any applicable supporting documentation.

Line 4: Total Taxable Earned Income

Subtract amount in **Line 2** from **Line 1**, then add **Line 3**

Line 5: Net Profit and Line 6: Net Loss

DOCUMENTATION REQUIRED: 1099(s), PA Schedules C, E, F or K-1 must be enclosed (legible copies 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 an S-Corporation loss is NOT deductible. A taxpayer may offset a loss from one business entity against a net profit from another business entity.

If you or your spouse reported an S-Corporation profit or loss to the PA Department of Revenue, please check the box on **Line 5** and enter the amount of S-Corporation profit or loss reported to the PA Department of Revenue. This is for audit purposes only when comparing income reported to the PA Department of Revenue to avoid future unnecessary correspondence.

Line 7: Total Taxable Net Profit

Subtract amount in **Line 6** from **Line 5**

Line 8: Total Taxable Earned Income and Net Profit

Add amount in **Lines 4 and 7**

Line 9: Total Tax Liability

Multiply **Line 8** by your applicable Resident EIT Rate as shown on the **Local EIT Tax Rates** chart on the reverse side of the YATB Taxpayer Annual Local Earned Income Tax Return form. A copy of the **Local EIT Tax Rates** chart, as well as the Tax Return form may be obtained on our website www.yatb.com

Line 10: Total Local Earned Income Tax Withheld as Reported on W-2(s)

The amount of local earned income tax withheld should be shown in Box 19 of your W-2(s). You may claim credit for local earned income tax withheld up to the rate as shown on the **Local EIT Tax Rate** chart.

Keep in mind, several municipalities within PA have enacted NON-RESIDENT earned income tax rates that may be higher than your resident earned income tax rate. You may be liable for this additional amount if your place of employment is located in one of the municipalities that has enacted a greater NON-RESIDENT earned income tax rate. In this event, the additional earned income tax amount would NOT be refundable.

Line 11: Quarterly Estimated Payments/Credits from Previous Tax Year

List any quarterly estimated payments made to date for the applicable filing year. Do not include any penalty and interest amounts that may have been made as part of the quarterly payments. Add any amount of tax overpaid as listed on your previous year's return to be applied to your current tax liability.

Line 12: Miscellaneous Tax Credits

GENERAL RULES APPLICABLE TO ALL LINE 12 TAX CREDITS

DOCUMENTATION REQUIRED: Out-of-State, PA State Return, PA Schedule G

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 political subdivision, please note that the same items of income must be subject to both your local earned 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 may be greater than the Pennsylvania state personal income tax rate. THIS CREDIT WILL BE DISALLOWED IF THE NON-RESIDENT OR FOREIGN US 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 include: **Indiana, Maryland, New Jersey, Ohio, Virginia and West Virginia.**

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

Gross Income.....	(1)	\$10,000
Local Earned Income Tax rate of 1% (.01).....		<u>x.01</u>
	(2)	100.00
Tax paid to Delaware.....	(3)	317.00
PA Income Tax (3.07% x \$10,000).....	(4)	307.00
Credit to be used against Local EIT (Line 3 minus Line 4)		
On Line 12 of the Local EIT Return form enter.....	(5)	10.00
or the amount on Line 2 of worksheet, whichever is less		

If all your wages or gross earnings are subject to Delaware state income tax (not PA), use the above example to calculate your tax obligation. If you had earned income NOT taxed by Delaware, this income would be subject to the earned income tax applicable where you reside and must be shown separately on the Local Earned Income Tax Return form.

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 where you reside in Pennsylvania. THIS CREDIT WILL BE DISALLOWED IF THE FOREIGN CITY RETURN AND YOUR W-2 FORM SHOWING CITY INCOME TAX WITHHELD IS NOT PROVIDED.

Credit for Taxes Paid to Philadelphia: You may use any wage tax paid to Philadelphia as credit toward your local earned income tax liability. No refunds or credits will be allowed for any overpayment made to Philadelphia. Enter the amount of Philadelphia wage tax paid on **Line 12** of the Local Earned Income Tax Return form. THIS CREDIT WILL BE DISALLOWED IF A COPY OF YOUR W-2 AND/OR VERIFICATION OF TAXES PAID TO PHILADELPHIA IS NOT PROVIDED.

Line 13: TOTAL PAYMENTS and CREDITS

Enter the sum amounts of **Lines 10 + 11 + 12**

Line 14: Refund

If Total Tax Liability from **Line 9** is less than your Total Payments and Credits in **Line 13**, enter the amount of overpayment you wish to have refunded. If you have an overpayment of taxes *in excess* of \$1.00, you may elect to receive a refund or apply as credit against the next year's tax liability (please check applicable box in **Line 15**).

Line 15: Credit Taxpayer/Spouse

If Total Tax Liability from **Line 9** is less than your Total Payments and Credits in **Line 13** you may also select the option of crediting this amount to your spouse's tax liability (please check applicable box).

Line 16: EARNED INCOME TAX BALANCE DUE

If Total Tax Liability from **Line 9** is greater than your Total Payments and Credits in **Line 13**, enter amount of tax due. If amount is *less than* \$1.00, enter 0 (zero).

Line 17: Penalty after Due Date

If for any reason the tax is not paid by due date, an additional penalty of **1%** multiplied by the amount of unpaid tax for each month or fraction thereof during which tax due remains unpaid, shall be added and collected.

Line 18: Interest after Due Date

If for any reason the tax is not paid by the due date, an interest rate of **3%** percent per annum (**.000082/day**) on the amount of unpaid tax shall be calculated to the date of payment of the tax, and shall be added and collected.

Line 19: TOTAL PAYMENT DUE

The tax liability or amount due is sum amount of **Lines 16 + 17 + 18**. If amount due in **Line 19** is *less than* \$1.00, enter 0 (zero). Checks should be made payable to “**YATB**”.

For additional information, guidelines and worksheets, please access YATB’s website at www.yatb.com