



Phone: 724-978-0300

Fax: 724-978-2871

## DELINQUENT EARNED INCOME TAX GENERAL INFORMATION

Dear Taxpayer:

You received the enclosed notice because a review of Pennsylvania Income Tax Return data identifies taxable income not reported locally. The Pennsylvania Department of Revenue may not release your state tax return (PA-40) data to the local Tax Officer for several years after you filed with the state, which is why you are receiving this notice now for the tax year(s) identified.

State law requires Pennsylvania residents with earned income or net profits to report and pay the local earned income tax quarterly and file an annual return by the statutory deadline. Even if you have employer withholding or are not expecting a refund, you must still file a return. If you do not file a local return, there is no time limit on the number of past years for which you may legally be billed for delinquent earned income taxes.

The Tax Officer calculates the amount of tax owed based on the rate imposed by your local taxing authority (plus statutory penalty, interest and costs) using the data supplied by the Pennsylvania Department of Revenue.

If you owe the tax, please remit the amount due within the next 30 days to avoid any new or additional statutory penalty, interest and costs. Please enclose the payment voucher along with payment.

**You may not owe the tax if you:**

1. Paid the tax to another Pennsylvania community
2. Worked in and paid income tax to the City of Philadelphia during the tax year(s) indicated
3. Worked outside of Pennsylvania and were subject to another state's income tax during the tax year(s) indicated
4. Reported income on your state tax return (PA-40) that is not subject to local tax
5. Did not live in the community indicated on the delinquent tax notice for the tax years identified on this notice

Please review the the reverse of this letter for acceptable documentation to submit to reconcile your local tax account with the tax information you provided to the PA DOR.

You must either pay the tax due or provide acceptable documentation proving that you do not owe the tax within 30 days of receipt of this notice. Failure to reply will result in further attempts by this office to collect the tax, which may result in additional statutory penalty, interest and costs; wage attachment; and potential legal action.

## DELINQUENT EARNED INCOME TAX DETERMINING YOUR TAX LIABILITY

Local income tax withholding reported to a Pennsylvania community on W-2

- Is “PA” shown in W-2 Box 15?
- Is local tax withholding indicated in W-2 Box 19?

**If yes to both: send a legible copy of W-2 along with a copy of your delinquent notice**

Local income tax withheld to an out-of-state taxing authority

- Is a state other than “PA” listed in W-2 Box 15?
- Is state income tax withholding indicated in W-2 Box 16 (or local withholding in Box 19)?

**If yes to both: send a legible copy of W-2, PA Schedule G-L and a copy of your delinquent notice**

**Note** – *Credit for income tax paid out of state is applicable only to income subject to tax in both states. Once we review your information, we will send you a notice indicating if your out-of-state credits satisfy your local tax liability.*

Income on the state tax return may not be taxable locally because it represents:

- Non-taxable income from a qualified pension, 401(K), IRA
  - ◆ Provide income documentation, such as 1099-R, 1099-MISC, W-2, etc.
  - ◆ Type of income taxable at the local level includes but is not limited to:
    - Early distribution from an IRA or 401(K)
    - Certain distributions from a non-qualified pension plan
    - Stock options
    - Deferred compensation
- Active-duty military pay (provide copy of W-2 and Orders, Leave and Earnings Statement)
- Clergy housing allowance (provide copy of W-2)
- Third-party sick pay (provide copy of W-2)
- Unearned passive income and/or unearned income from a Subchapter S Corp. (provide a copy of K-1 or RK-1)

If you did not live in the community for all or part of any year(s) listed on the notice:

1. Fill out the non-resident form on the back of the voucher and include acceptable proof of residency
2. Acceptable proof of residency includes: deed, lease, utility bill or pay stub(s)

**Note** – *Proof of residency document(s) must contain the address(es) you list on the voucher*