

# **YORK ADAMS TAX BUREAU**

## **RULES AND REGULATIONS FOR EARNED INCOME AND NET PROFITS TAX**

**BASED ON THE LOCAL TAX ENABLING ACT (ACT  
511 OF 1965 AS AMENDED) AND ACT 32 OF 2008 AS  
AMENDED**



Adopted July 28, 2025  
Amended December 5, 2025  
Amended April 27, 2026

## **PREFACE**

The York County Earned Income Tax Bureau was established as a private, non-profit agency on July 1, 1966 by a Board of Directors comprised of one member from each participating municipality and school district. The Bureau's purpose was to administer the earned income and net profits Resolutions and Ordinances as adopted by the various taxing jurisdictions.

The name of the Bureau was changed effective January 1, 1983 to York Area Earned Income Tax Bureau by the Board of Directors at the Board Meeting on July 26, 1982. The name of the Bureau was changed a third time to York Area Tax Bureau by the Board of Directors at the board meeting on July 28, 2003.

The name of the Bureau was changed again, effective January 1, 2006, to York Adams Tax Bureau (YATB), when the Adams County Earned Income Tax Collection Agency merged with the York Area Tax Bureau.

As a result of Act of General Assembly of July 2, 2008 (P.L. 197), known as "Act 32", the Tax Collection Committees of Adams and York Counties, in an effort to continue cooperative, uniform and cost-effective tax collection, have determined that the Tax Bureau should be continued and the By-Laws should be amended to be in compliance with Act 32. The "ACT 32" York Adams Tax Bureau is the appointed Earned Income Tax Collector for 124 member municipalities and school districts in York and Adams Counties. YATB provides to its member taxing authorities decades of local tax collection experience, cost-effective collection practices and software, a secure online filing system ([www.palite.org](http://www.palite.org)) and a highly experienced staff for the administration and collection of local taxes.

These Rules and Regulations are intended to adopt the requirements set forth in Act 32 of 2008, as amended, and to provide taxpayers, employers, payroll providers and tax preparers specific guidance relating to the withholding and filing of Earned Income Tax with YATB. Where there is a conflict between the Act and these Rules and Regulations, the language of the Act will prevail.

**INDEX**

<b>ARTICLE</b>	<b>SECTION</b>	<b>PAGE</b>
<b>I</b>	<b>CUSTOMER SERVICE AND TAXPAYER ASSISTANCE</b>	
101	Local Taxpayer's Bill of Rights	4
102	Tax Office Location and Hours for Taxpayer Assistance and Information	4
103	Free Local Income Tax Return Preparation	4
<b>II</b>	<b>GENERAL PROVISIONS</b>	
201	Definitions	5
<b>III</b>	<b>IMPOSITION OF TAX</b>	
301	Persons Subject to Tax (Domicile)	10
302	Taxable Matters	11
303	Earned Income	12
304	Net Profits	15
305	Exclusions from Tax	16
306	Resident Taxation	17
307	Nonresident Taxation	17
308	Credits	18
309	Deductions and Losses	20
<b>IV</b>	<b>COLLECTION AT THE SOURCE</b>	
401	Employers Required to Withhold	22
402	Voluntary Withholding	22
403	Registration of Employers	22
404	Liability of Employee	22
<b>V</b>	<b>PAYMENT OF TAX AND RETURNS</b>	
501	Annual Returns by Taxpayers	23
502	Declaration and Payment of Tax	24
503	Returns of Employers and Payment of Withheld Tax	25
504	Fiscal Years	26
505	Cash or Accrual Basis	27
506	Penalty and Interest	27
507	Costs of Collection	28
508	Extensions	28
509	Change in Federal or Pennsylvania Taxable Income	29
<b>VI</b>	<b>ADMINISTRATION AND ENFORCEMENT</b>	
601	Income Tax Officer	30
602	Administrative Appeals	30
603	Examination of Books and Records of Taxpayers and Employers	31
604	Records to be Retained by Taxpayers and Employers	31
605	Refunds and Credits	32
606	Fines and Penalties for Violations	33
607	Concurrent Remedies	33
608	Failure to Receive Forms	33
609	Return Completion - General	34
610	Who Must File	35
611	Registration of Taxpayers	35
612	Installment Plans for Delinquent Amounts	36
613	Suit for Collection of Delinquent Amounts	36
614	Wage Attachments	37
	Appendices	39

# ARTICLE I

## CUSTOMER SERVICE AND TAXPAYER ASSISTANCE

### SECTION 101 LOCAL TAXPAYER’S BILL OF RIGHTS

The York Adams Tax Bureau adopted the Local Taxpayer’s Bill of Rights (PA Act 50 of 1998) shortly after its passage in 1998. The LTBOR sets forth the rights of a Taxpayer and the obligations of the Tax Bureau during an audit or review of a taxpayer’s books or records. In addition, the LTBOR sets forth the Administrative and Judicial procedures by which a taxpayer may appeal or seek review of any adverse decision as well as outlining the process the Bureau may follow to enforce the collection of delinquent taxes. (See Appendix A.)

**Taxpayers are entitled to receive a written explanation of their rights with regard to audit, appeal, enforcement, refund and collection of taxes by calling the York Adams Tax Bureau 717-845-1584, during the hours of 8:00am through 4:00pm, Monday through Friday.**

### SECTION 102 TAX OFFICE LOCATION AND HOURS FOR TAXPAYER ASSISTANCE AND INFORMATION

The York Adams Tax Bureau has two office locations. The normal office hours are Monday through Friday, 8:00am to 4:00pm. During tax season the Tax Office offers extended hours, which can be found on the Tax Bureau’s website, [www.yatb.com](http://www.yatb.com). Bureau holidays are also reported on the website.

The York Office is located at 1405 North Duke Street, York, Pa. 17404.

The Gettysburg Office is located at 240 West Street, Gettysburg, Pa. 17325.

The offices can be reached by telephone during normal business hours:

	<u>YORK</u>	<u>GETTYSBURG</u>
Individual Taxpayer Services	717-845-1584	717-334-4000
Employer Services	717-845-1584, Option 2	

### SECTION 103 FREE LOCAL INCOME TAX RETURN PREPARATION

The York Adams Tax Bureau will complete local income tax returns free of charge for individuals and employers who are required to file with YATB. To take advantage of this service a taxpayer must bring his or her income tax information, such as W-2 forms, business profit/loss schedules and other supporting documentation to the office during normal or extended hours. No appointment is necessary. Please note that during peak times near or on due dates there may be a wait time as taxpayers are served on a first come first served basis.

Most taxpayers may use the PA Local Income Tax Exchange (PALITE), found at [www.palite.org](http://www.palite.org), to complete and file your local income tax return through the internet. Preparing and filing your return on PALite is:

**Safe:** Taxpayer information is protected by the latest security, plus taxpayers receive confirmation that they filed. If the return cannot be filed online a copy for filing and a copy for the taxpayer’s records and filing instructions will be available for the taxpayer to print or save.

**Easy:** The systems perform all the math calculations; and

**Fast:** The York Adams Tax Bureau can process online forms and approve refunds faster than paper returns filed by mail.

Local Income Tax Returns and instructions are also available on the Tax Bureau’s website, [www.yatb.com](http://www.yatb.com), including a fillable return. Employers and payroll services are strongly urged to file their quarterly and annual returns through the PALite system. PLEASE NOTE: Beginning with the 2024 tax year, YATB will no longer mail out paper forms to taxpayers. PDF forms are available for download on our website, or taxpayers may file online, or we will accept the generic PA Local EIT Return form produced by professional tax preparation software.

## ARTICLE II GENERAL PROVISIONS

### SECTION 201. DEFINITIONS

The Definitions found in Section 501 of Act 32 (Title 53 P.S. § 6924.501) are adopted here as follows:

The following words and phrases used in the Tax Ordinances and Resolutions and in these Rules and Regulations have the following meanings unless the context clearly indicates a different meaning:

**Article XIII tax officer** - The tax officer authorized by a political subdivision to collect income taxes levied prior to January 1, 2012.

**Business** - An enterprise, activity, profession or any other undertaking of an unincorporated nature conducted for profit or ordinarily conducted for profit whether by a person, partnership, association, or any other entity.

**Business entity** - A sole proprietorship, corporation, joint stock association or company, partnership, limited partnership, limited liability company, association, business trust, syndicate or other commercial or professional activity organized under the laws of this Commonwealth or any other jurisdiction.

**Certified public accountant or public accountant** - A certified public accountant, public accountant or firm as provided for in the act of May 26, 1947 (P.L.318, No.140), known as the CPA Law.

**Claim** - A written demand for payment made by a tax collector or tax collection district for income taxes collected by another tax officer or tax collection district.

**Corporation** - A corporation or joint stock association organized under the laws of the United States, the Commonwealth of Pennsylvania, or any other state, territory, foreign country or dependency. The term shall include an entity which is classified as a corporation for Federal income tax purposes.

**Current Year** - The calendar year for which the tax is being levied.

**Department** - The Department of Community and Economic Development of the Commonwealth.

**Domicile** - The place where a person lives and has a permanent home and to which the person has the intention of returning whenever absent. Actual residence is not necessarily domicile, for domicile is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntarily fixed place of habitation of a person, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce the person to adopt some other permanent home. In the case of a business, domicile is that place considered as the center of business affairs and the place where its functions are discharged.

**Earned Income** - The compensation as required to be reported to or as determined by the Department of Revenue under section 303 of the act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Code of 1971, and rules and regulations promulgated under that section subject to the following:

(1) Employee business expenses as reported to or determined by the Department of Revenue under Article III of the Tax Reform Code of 1971 shall constitute allowable deductions in determining earned income.

(2) The term does not include:

(i) Wages or compensation paid to individuals on active military service, regardless of whether it is earned for active military service inside or outside this Commonwealth.

(ii) Offsets for business losses.

(iii) The amount of any housing allowance provided to a member of the clergy.

(3) For purposes of collection of earned income and net profits taxes under this chapter and for crediting purposes under section 317, the term shall include all taxes on earned income or net profits whether authorized by this act or any other law of this Commonwealth unless the law expressly provides otherwise

<b>Earned income and net profits tax -</b>	The tax levied by a political subdivision on earned income and net profits.
<b>Effective local services tax rate -</b>	The actual local services tax rate levied by a political subdivision on taxpayers based on the total of all local services taxes imposed under this act and all other acts, adjusted under section 311.
<b>Effective income tax rate -</b>	The actual tax rate levied by a political subdivision on a taxpayer based on the total of all income taxes imposed under this act and all other acts, adjusted under section 311.
<b>Employee -</b>	A person employed by an "employer" on a salary, wage, commission or other compensation basis. Any person who renders services to another for financial consideration or its equivalent, under an express or implied contract, and who is under the control and direction of the latter and shall include temporary, provisional, casual, or part-time employment.
<b>Employer -</b>	A person, business entity or other entity, employing one or more persons for a salary, wage, commission, or other compensation. The term includes the Commonwealth, a political subdivision and an instrumentality or public authority of either. FOR PURPOSES OF PENALTIES UNDER THIS CHAPTER, THE TERM INCLUDES A CORPORATE OFFICER.
<b>Income tax -</b>	Except as set forth in section 511(b), an earned income and net profits tax, personal income tax or other tax that is assessed on the income of a taxpayer levied by a political subdivision under the authority of this act or any other act.
<b>Independent Contractor</b>	- A person who, while performing services for another person, is not subject to the direction and control of the other as to the details, methods and means by which a result directed by the other is accomplished. Where the independent contractor is in the permanent or part-time employment of an employer, however, that contractor will be considered an employee of said employer for the purpose of withholding the tax due under the Ordinances and Resolutions.
<b>Joint Tax Collection Committee -</b>	An entity formed by two or more tax collection committees for the purpose of income tax collection in more than one tax collection district.
<b>Limited Partnership -</b>	A type of partnership comprised of one or more general partners who manage the business and who are personally liable for partnership debts, and one or more limited partners who take no part in running the business and who incur no liability for partnership obligations beyond the contribution they invested in the partnership.
<b>Local services tax -</b>	A tax on individuals for the privilege of engaging in an occupation that is levied, assessed and collected only by the political subdivision of the taxpayer's place of employment under the authority of this act or any other act.
<b>Municipality -</b>	A city of the second class, city of the second class A, city of the third class, borough, town, township of the first class or township of the second class.
<b>Net Profits -</b>	The net income from the operation of a business, other than a corporation, as required to be reported to or as determined by the Department of Revenue under section 303 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, and rules and regulations promulgated under that section. The term does not include income under any of the following paragraphs:

- (1) Income which:
  - (I) Is not paid for services provided; and
  - (II) Is in the nature of earnings from an investment.
- (2) Income which represents:
  - (I) Any gain on the sale of farm machinery; or
  - (II) Any gain on the sale of livestock held 12 months or more for draft, breeding or dairy purposes; or
  - (III) Any gain on the sale of other capital assets of a farm.

- Nonresident -** A person or business domiciled outside the political subdivision levying the tax.
- Nonresident tax -** An income tax levied by a municipality on a nonresident.
- Official register -** The part of the tax register that includes withholding rates as provided in 53 P.S. § 6924.511(a)(3).
- Overpayment -** Any payment of tax which is determined in the manner provided by law to not be due.
- Partnership Income** The taxable income in respect to a partnership is taxable to its partners, whether or not it is distributed. The character of any item includable in each partner's share is determined as if the item were realized directly by the partner from the source from which it was realized by the partnership or incurred in the same manner as incurred by the partnership.
- Person -** A natural person.
- Political Subdivision -** A city of the second class, city of the second class A, city of the third class, borough, town, township of the first class, township of the second class, school district of the first class A, school district of the second class, school district of the third class, school district of the fourth class or municipal authority.
- Preceding Year -** The calendar year before the current year.
- Private agency -** A business entity or person appointed as a tax officer by a tax collection committee.
- Public Agency -** Any and all public bodies, authorities, agencies, instrumentalities, political subdivisions, intermediate units, councils, boards, commissions or similar governmental entities.
- Resident -** A person or business domiciled in the political subdivision levying the tax.
- Resident tax -** An income tax levied by:
  - (1) a municipality on a resident of that municipality; or
  - (2) a school district on a resident of that school district.
- Resident tax officer -** The tax officer administering and collecting income taxes for the tax collection district in which the taxpayer is domiciled.
- S Corporation -** A corporation that is eligible to choose S Corporation status and whose shareholders have all consented to the corporation's choice of S Corporation status as per Federal Law.
- Succeeding Year -** The calendar year following the current year.
- Tax bureau -** A public nonprofit entity established for the administration and collection of taxes.
- Tax Collection Committee -** The committee established to govern each tax collection district for the purpose of income tax collection. The term shall include a joint tax collection committee.
- Tax collection district -** A tax collection district established under 53 P.S. § 6924.504.
- Tax officer -** A political subdivision, public employee, tax bureau, county, except a county of the first class, or private agency which administers and collects income taxes for one or more tax collection districts. Unless otherwise specifically provided, for purposes of the obligations of the

employer, the term shall mean the tax officer for the tax collection district within which the employer is located, or, if an employer maintains workplaces in more than one district, the tax officer for each such district with respect to employees principally employed therein.

- Tax records -** Tax returns, supporting schedules, correspondence with auditors or taxpayers, account books and other documents, including electronic records, obtained or created by the tax officer to administer or collect a tax under this act. The term includes documents required by 53 P.S. § 6924.509(e). The term “electronic records” includes data and information inscribed on a tangible medium or stored in an electronic or other medium and which is retrievable in perceivable form.
- Tax register -** A database of all county, municipal and school tax rates, maintained by the Department, available on the Internet as required to be provided in 53 P.S. § 6924.511(a)(1).
- Taxable income -** Includes:  
(1) In the case of an earned income and net profits tax, earned income and net profits.  
(2) In the case of a personal income tax, income enumerated in section 303 of the act of March 4, 1971, as reported to and determined by the Department of Revenue, subject to correction for fraud, evasion or error, as finally determined by the Commonwealth.
- Taxpayer -** A person or business required under the Act to file a return of an income tax or to pay an income tax.
- Underpayment -** The amount or portion of any tax determined to be legally due in the manner provided by law for which payment or remittance has not been made.
- Voluntary payment -** The payment of an eligible tax made pursuant to the free will of the taxpayer. The term does not include a payment as a result of distraint or levy or pursuant to a legal proceeding in which the local taxing authority is seeking to collect its delinquent taxes or file a claim thereof.
- Withholding tax -** An income tax or a local services tax levied by a political subdivision under the authority of this act or any other act, or any other tax levied by a municipality or school district for which employer withholding may be required under this act or any other act.

*The following definitions were not provided for in the ACT, however they are included in these Rules and Regulations to further clarify the York Adams Tax Bureau’s policies, procedures and interpretations of Pennsylvania’s local income tax legislation.*

- Compensation -** See Earned Income.
- Covenant Not to Compete -** When one party promises to compensate another to refrain from working in a certain profession or business, within a limited geographical region, for a certain period of time, and is not comparable to income from the sale of good will. Nor can compensation received under a non-compete contract be considered investment income, for the payments are directly dependent upon the conduct of the person receiving the compensation.
- General Partner -** One of two or more persons who associate to carry on a business as co-owners for profit. A general partner is a person who can legally bind the business and who is personally liable for all the debts and obligations of the partnership.
- Homestead -** A residential dwelling primarily used as the domicile of the owner who is a natural person.
- Homestead Exclusion -** A reduction in real property assessment provided by the school district on the property owner’s primary residence under the Taxpayer Relief Act, Act 1 of Special Session 1 of 2006.
- Investment -** An asset or item that is purchased with the hope that it will generate income or appreciate in the future.
- Limited Liability Company -** A Limited Liability Company (LLC) is a hybrid between a partnership and a corporation. It

may be thought of as a limited partnership without a general partner. It provides the liability protection of a corporation with the advantage of being treated as a partnership. The legislation providing for LLC's in Pennsylvania specifically states, *"Nothing in this subsection shall impair or preempt the ability of a political subdivision to levy, assess or collect any applicable taxes or license fees authorized pursuant to the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, on any company which elects limited liability company status in accordance with the provisions of this chapter."* Title 15, Chapter 89, Subchapter C, Section 8925 (a).

**Limited Partner -** A partner in a partnership who has a share of ownership but who takes no part in managing the partnership. A limited partner is not liable for any amount greater than his or her original investment in the partnership. In contrast to a limited partner, a general partner takes part in the daily operations of the partnership and is personally responsible for the liabilities of the partnership. Both limited partners and general partners receive a share in profits and losses of the partnership, based on their percentage share of the partnership.

**Non-activity -** Deliberately refraining from doing something. It is a positive absence of activity – as affirmative restraint. Each day throughout a certain time period, the payee taxpayer is under a duty to refrain from working in that profession or business. Performance under a covenant not to compete is deliberate and purposeful non-activity, and while inactivity is generally weak and dissipating, non-activity can be extremely powerful and potent and can be just as powerful as activity.

**Resolution or Ordinance -** As adopted by the respective Member Taxing Authorities empowering or levying tax for a given year, or any part thereof.

**Total Income (or Gross Income) -** The sum of "Earned Income/Compensation" plus "Net Profits."

## **ARTICLE III IMPOSITION OF TAX**

### **SECTION 301. PERSONS SUBJECT TO TAX:**

All persons who are:

- A. residents of York Adams Tax Bureau's taxing jurisdiction and its coterminous Taxing Districts, who are employed or engaged in the operation of a business, profession, or other activity for income or profit;
- B. non-residents of York Adams Tax Bureau's taxing jurisdiction and its coterminous Taxing Districts, who are employed in York Adams Tax Bureau's taxing jurisdiction and its coterminous Taxing Districts, or engaged in the operation of a business, profession, or other activity for income or profit in York Adams Tax Bureau's taxing jurisdiction and its coterminous Taxing Districts, are subject to this tax. (Excepting Maryland residents who are exempt).

#### **DOMICILE:**

To determine residency for Pennsylvania Local Income Tax purposes, one's domicile and permanent abode must be identified. An individual may have to pay local income tax as a Pennsylvania resident even if he or she is not considered a Pennsylvania resident for other purposes. For local income tax purposes, one must consider both where he or she is domiciled and where he or she maintained a permanent place of abode during the taxable year.

One's domicile is one's fixed and permanent home to which he or she always has the intention of returning whenever absent, even though he or she may live elsewhere. He or she can have only one state of domicile at any given time. A person's state of domicile does not change until he or she moves to another state or country with the sincere intention of making his or her permanent home there and abandoning his or her previous domicile. If a person moves to another state or foreign country but intends to stay there only for a fixed or limited time (no matter how long), his or her domicile does not change.

A "resident" is an individual who is domiciled in York Adams Tax Bureau's taxing jurisdiction or one of its coterminous Taxing Districts, as evidenced, among other things, by one or more of the following:

- A. By customarily being physically present, sleeping, and eating there.
- B. By holding him or herself out as residing there, i.e. giving address in registration for licenses, voting, and payment of personal or property taxes.
- C. By his or her spouse and minor children living there.
- D. By maintaining religious, civic, and club affiliations there.
- E. By the center of his or her affairs appearing to be there.

In such instances where an individual's residence or domicile is unclear, the Tax Officer shall make a determination based on all of the legally relevant factors which affect the issue. Each instance shall be determined solely on its own facts.

If an individual owns real property and has obtained a real estate tax homestead exclusion on that property, that property will be considered the individual's primary residence for determining domicile.

Some factors to consider in determining an individual's place of domicile are:

- Where does the taxpayer spend the greatest amount of time during the taxable year?
- Where does the taxpayer maintain a permanent abode for the longest amount of time during the taxable year?
- Where does the taxpayer support his or her spouse and children?
- Where does the taxpayer purchase the necessities of life?

- Where does the taxpayer have doctors, lawyers, and accountants?
- Where does the taxpayer house his or her pets?
- Where does the taxpayer have active banking accounts?
- Where does the taxpayer worship regularly?
- Where does the taxpayer participate in social, fraternal, or athletic organizations, lodges, or country clubs?
- Where does the taxpayer have works of art, expensive furniture, family portraits, or heirlooms?
- Where does the taxpayer fulfill local tax obligations?
- Where is the taxpayer employed?
- Where does the taxpayer own real estate fit for year-round living?
- Where does the taxpayer maintain a driver's license and vehicle registration?
- Where does the taxpayer maintain professional licenses?
- Where does the taxpayer maintain union membership?
- Where does the taxpayer declare residency for fishing or hunting licenses, income tax returns, or school tuition?
- Where does the taxpayer conduct his business?
- Where does the taxpayer receive mail?
- Where does the taxpayer receive unemployment?
- Where does the taxpayer record his or her address for insurance policies, deeds, mortgages, leases, passport, Federal and local tax returns, etc.?
- Where was the taxpayer domiciled at birth?
- Where does the taxpayer maintain safe deposit boxes?
- Where does the taxpayer own a cemetery plot?
- Where is the taxpayer listed in the telephone directory?
- Where has the taxpayer obtained a homestead exclusion?
- Where does the taxpayer gather for family and social events; and/or
- Where is the taxpayer registered to vote?

Three conditions are required to establish a new Domicile:

In order to establish a new domicile, the following three conditions must be met:

1. There must be evidence of a firm and definite present intention to discontinue making the former domicile your primary base of operations;
2. There must be evidence of a firm and definite present intention to make the new domicile your primary base of operations; and
3. There must be evidence of actual physical presence and actual abode (transient, temporary, or permanent) in the new location.

If all three requirements are met, the date of the change is the first day of actual physical presence in the new location.

If a person left their domicile to seek new employment intending to remain in the other location only if they find employment, there is no change in domicile.

If an individual moved to another state or country but intended to stay there only for a fixed or limited time (no matter how long), the domicile does not change. Domicile is not established by residence in temporary housing if the temporary housing is occupied only during a fixed or limited period of time for a particular purpose. Barracks, bachelor officer's quarters, quarters on ships, and other living accommodations provided by one's employer for a definite period do not qualify as permanent dwelling place establishing new domicile; nor do college dormitories, fraternity houses, sorority houses, and off-campus rentals by enrolled college students establish a new domicile by themselves.

Once established in a locality or state, the domicile continues there until a new one is established. It is not dependent upon continuous physical presence. It is not abandoned by absence or even by presence in a former domicile, no matter how long continued, if, in leaving and during the absence, there is not firm, sincere, unconditional intention of remaining in the other jurisdiction for an indefinite and uncertain period.

**SECTION 302. TAXABLE MATTERS:**

- A. The tax is imposed on earned income and net profits as both are defined in Article II of these Rules and Regulations. These items are subject to the tax whether a taxpayer received them directly or through an

agent.

- B. The earned income and net profits tax shall be applicable to earned income received and net profits earned in the period beginning January 1 and ending December 31 of each year, or in the fiscal year of taxpayers electing a fiscal year basis under Section 504(B) of these Rules and Regulations. The tax shall continue in force on a calendar year or taxpayer fiscal year basis, without annual reenactment, unless the rate of tax is subsequently changed. Changes in the rate shall become effective on the date specified in the Ordinances or Resolutions.
- C. Trusts or Estates. Every estate or trust must pay the tax:
  - (1) On net profits resulting from its engagement in any business, trade or other activity which would require the filing of a return by an individual or partnership, and
  - (2) On income which would be subject to the tax if received by an individual or partnership.

### **SECTION 303. EARNED INCOME:**

Pennsylvania Act 166 of 2002 amended the definitions of “earned income” to more closely follow the Pennsylvania Department of Revenue’s definition for the income classification “compensation,” with the exception of active military duty and housing allowances received by the clergy.

Act 32 of 2008 mirrored the Department of Revenue’s definition of compensation by including active-duty military compensation received for service in Pennsylvania; therefore, active-duty military compensation, for active-duty military pay earned within Pennsylvania, became taxable for local tax purposes on January 1, 2012. Active-duty pay earned OUTSIDE of Pennsylvania was exempt from Earned Income Tax. However, on February 23, 2016, Act 6 of 2016 was enacted, exempting all active-duty military service from the Earned Income Tax, regardless of where the active duty was served.

Act 32 further defines “Earned Income” in two areas:

- (1) Unreimbursed employee business expenses are an allowable deduction in determining earned income
- (2) Business losses cannot offset earned income.

Examples of earned income (without intending in any way to limit the provisions of the Ordinances or Resolutions to these examples) always considered taxable are:

- A. Salaries.
- B. Wages.
- C. Tips received directly by the employee or through his or her employer.
- D. Gratuities.
- E. Commissions.
- F. Bonuses.
- G. Incentive payments. Incentive payments are payments received from employers or on behalf of employers, other than the usual compensation, for the purpose of inducing the employee to act. Examples of incentive payments are: buying out an agreement or contract, moving to another location, or accepting an early retirement (Golden Parachute) Settlement payment. Such payments/settlements constitute taxable income. Incentive payments are not to be considered “retirement” payments. Lump sum payments shall be taxed in the year received by the employee or former employee. If the payment/settlement of such sums is to be made in the future, such sums shall be taxed in the year they are received. Incentive payments include Stock Appreciation Rights (SAR) and/or a phantom stock plan payment, where these payments are attributable to remuneration for services rendered. The following are examples of incentive payments:

EXAMPLE: Employer offers to give employee F an incentive payment of \$20,000 if employee F agrees to depart or retire before his scheduled date. The \$20,000 is to be paid at the rate of \$5,000 per year over a four-year period after the retirement becomes effective. The \$20,000 is taxable income. It will be taxed in the years it is received by employee F. That is to say that employee F shall have to include as earned income/compensation the extra \$5,000 received for/in each of the four years following his retirement.

EXAMPLE: The employee has been a product manager with an art supply business for 12 years. He and his wife have purchased a home in the suburbs of Houston for \$80,000, \$55,000 of which they financed through a loan from their bank. The lending rate for the home mortgage was 6% and their mortgage payments were \$520 per month. Twelve years after purchasing the house, he was offered a transfer to Harrisburg, Pa. to open a sales office and showroom in Harrisburg, Pa. His employer agreed to reimburse him for his moving expenses if he took the assignment. When he and his wife traveled to look for a new residence, they were told that a comparable home in Harrisburg, Pa. would be \$130,000 and that the mortgage rate would be 8.5%. The mortgage on their new home would be \$952. His employer was willing to pay the \$432 difference between his old and new mortgage for two years. This form of reimbursement is wages to the employee, subject to the earned income/compensation and payroll tax withholding.

EXAMPLE: In a SAR plan, the employee-participant is allowed to share in the appreciation in value of the company stock plan. The employee shares in the appreciation in value of the company stock plan over the period selected.

NOTE: In a phantom stock plan, the employee shares in the appreciation and is also given the value of the stock at the starting point.

In each of these plans, the employee is not the owner of any shares. By agreement the employee participates in the growth of the business's value through a formula that measures the growth in value of the company's stock. The employee is credited on paper with a percentage of the growth in value, which value is convertible to cash at a future date. The employee will be taxed on the date in the future that he or she receives the cash benefit.

EXAMPLE: An employer offers and pays an employee 15% on a house purchased in another location in lieu of the employer acquiring the employee's house and becoming responsible for selling the house. This type of circumstance shall be considered as an incentive for the employee to move to another location. If the payment is restricted or imperfect with a qualified right to enter (confined, temporary, modified, conditioned, limited provisional, guarded, ambiguous, reserved, dependent, defined) it shall not be taxable as earned income/compensation.

The employee is responsible for providing proper documentation to the tax officer so as to establish whether this payment is or is not restricted.

Moving expenses which are permitted on Pa. Schedule UE, and not reimbursed, may be deducted.

Auto manufacturers' incentive payments paid by or on behalf of any automobile manufacturer, whether directly to individual salespersons or through a dealership are taxable for local earned income/compensation tax purposes.

- H. Vacation/holiday pay.
- I. Termination/severance pay.
- J. Payment incentives for early retirement.
- K. Reimbursements and allowances in excess of allowable business expenses.
- L. Directors' fees (will constitute Pennsylvania Schedule C income if one's profession is being an outside board director). Such fees include: Administrator fee, Director fee, Executor fee, Expert Witness fee, Fiduciary fee, Honoraria fee (if one's profession is being a professional speaker), Trustee fee, any fee received for service performed by the taxpayer, and fees received for decisions made by the taxpayer. The fees referenced herein involve activity and participation on the part of the taxpayer.
- M. Jury Duty pay.
- N. Witness fees (will constitute Pennsylvania Schedule C income if testifying as an expert in a field which is considered one's line of business).
- O. Eligible reimbursed moving expenses in excess of allowable expenses on Pennsylvania Schedule UE, UE-1.
- P. Honoraria (will constitute Pennsylvania Schedule C income if one's profession is being a professional speaker).
- Q. Executor's or administrator's fees (will constitute Pennsylvania Schedule C income if one's profession is being an executor or administrator).
- R. Covenant not-to-compete or payments received as consideration for refraining from the performance of services.

- S. Proceeds from an employee stock ownership plan to extent of excess computed under cost-recovery method. Earnings component of stock option plans when the option is exercised. The “earnings component” is considered to be the difference between the stock option price and the fair market value of the stock at the time the option is exercised.

The Pennsylvania Supreme Court in its February 22, 2000 decision in the Marchlen case makes no distinction between qualified and non-qualified stock option plans. The case citation is:

*Louis Thomas Marchlen, Appellee vs. The Township of Mt Lebanon, al, No.7 W.D. Appeal Docket 1998, (707 A2nd 631, Pa.Cmwlth 1998).*

*“At the time that the stock options in this case were granted to Appellee, they could not be exercised. This does not imply that the stock options have no value at the time they are granted. Stock options are valuable inducements to attract and retain employees and to compensate them for their services. The holder of a stock option can reap the benefits of stock price increases without bearing the risks of stock price declines.”*

- T. Reimbursements made by an employer for dependent care, legal services, or other personal services.
- U. National Service Education Awards.
- V. Income from Peace Corps, VISTA Job Corps and Americorp.
- W. Household employees.
- X. Employee contributions to an eligible Pennsylvania retirement plan and/or employee contributions to a nonqualified deferred compensation plan.

Examples of items that are never considered earned income (without intending in any way to limit the provisions of the Ordinances, Resolutions or Regulations to these examples) are:

- A. Active-duty military pay whether inside or outside the Commonwealth of Pennsylvania.
- B. GI Bill benefits including tuition and living expenses.
- C. Alimony.
- D. Child support.
- E. Income in respect of a decedent.
- F. Inheritance.
- G. Social Security.
- H. Railroad retirement benefits.
- I. Public assistance.
- J. Unemployment compensation.
- K. Occupational Disease Act benefits (if included on W-2, attach explanation).
- L. Meals and lodging provided to an employee by the employer.
- M. Personal use of employer-owned or leased property and/or services, at no cost or at a reduced cost.
- N. Personal use of company automobile, airplane or other employer-owned or leased property. These amounts are not taxable fringe benefits for Pennsylvania Local Income Tax.
- O. Employer-provided parking facilities. These amounts are nontaxable fringe benefits.
- P. Employer-provided professional services paid for directly by the employer. These are nontaxable fringe benefits.
- Q. Premiums paid by an employer for group term life insurance (no limit).
- R. Housing allowance paid to members of the clergy.
- S. Foster care.
- T. Employer-paid group term life insurance premiums.
- U. Amounts received for permanent loss of body function, disfigurement, or reimbursed medical expense.
- V. Disability payments paid by employer arising under occupational disease acts or other legislation.
- W. Strike benefits.
- X. Life insurance proceeds or settlements.
- Y. Distributions from eligible Pennsylvania retirement plans after retirement age.
- Z. Section 125 Cafeteria Plan contributions

Regarding what plans qualify as "eligible Pennsylvania retirement plans," the fact that a plan is a qualified plan for Federal Income Tax is **not** controlling for Pennsylvania Local Income Tax.

The Pennsylvania Department of Revenue provides a Personal Income Tax (PIT) Guide on its website, [www.revenue.pa.gov](http://www.revenue.pa.gov), which outlines taxable compensation in Chapter 7.

The York Adams Tax Bureau follows the Department of Revenues PIT Guide, Chapter 7 in defining taxable income except for clergy housing allowance which is not taxable for local income tax purposes.

Neither the kind nor the rate of payment, nor the manner of employment, exempts an employee from the tax.

Compensation received in the form of property shall be taxed at its fair market value at the time of receipt.

Net Losses cannot be used to offset compensation.

## **SECTION 304. NET PROFITS:**

The York Adams Tax Bureau follows the PA Department of Revenue PIT Guide, Chapters 11, 16 and 18 in defining taxable net profits. ACT 32 of 2008 provides two exceptions for the definition of net profits:

- (1) income which is not paid for services provided; and is the nature of earnings from an investment.
- (2) income which represents any gain on the sale of farm machinery; any gain on the sale of livestock held 12 months or more for draft, breeding or dairy purposes; or any gain on the sale of other capital assets of a farm.

The following are includable in net profits:

- (1) Interest received on credit sales.
- (2) Discounts received from Pennsylvania for timely remitting of sales tax.
- (3) Damages/awards settlements received, except for personal injuries cases. Both punitive and compensatory damages received in personal injury actions are excluded when physical sickness or injury has occurred. Punitive damages awarded on a personal injury claim where no physical sickness or injury has occurred, such as awards made in defamation actions, are taxable income for determining correct net profits.
- (4) Net Profits include rental income received or produced by a licensed real estate agent who is actively involved in the business of renting properties and by an individual, not a licensed realtor, who is required to report profit and loss on a PA-40 Schedule C.

Examples of "net profits" (without intending in any way to limit the provisions of the Ordinances or Resolutions to these examples) are:

- A. The net profits of a business, profession or farm conducted by a sole proprietor as computed according to the laws, regulations and procedures for computing Pennsylvania Personal Income Tax "net profits" or "net farm profits" and required to be reported on Pennsylvania Income Tax Form PA40 (Schedules C, E, or F of the current year edition).
- B. The net profits of a business, profession or farm conducted as a partnership as computed according to the laws, regulations and procedures for computing Pennsylvania Personal Income Tax "net earnings from self-employment" and as required to be reported on Pennsylvania Tax Form PA-65.
- C. Royalties and patent or copyright fees received by authors, composers, inventors and other such individuals. Amounts reported on the Pennsylvania return as "net income from royalties, patents, or copyrights" are considered "net income from the operation of a business, profession or farm" subject to tax and reportable on the local tax return as "net profits" if the income is derived from intellectual property developed by the individual Resident or Non-Resident to whom the amounts are payable. For example, royalties and other fees received by authors, composers and inventors are subject to tax and reportable on the local tax return as "net profits" even though they are reported on the Pennsylvania state return as "net income from royalties, patents or copyrights."
- D. Net profits from the operation of hotels, motels, trailer camps, tourist homes, boarding houses, bed and breakfast establishments, mobile home parks and other similar businesses.
- E. Net profits from the business of renting personal property.
- F. Real estate rentals received in the course of a trade or business are taxable.
- G. All other net profits of business activities except any portion thereof resulting from items not taxed under the

provisions of the Ordinances or Resolutions as set forth in Section 305 hereof.

- H. In determining net profits subject to tax under the provisions of the Ordinances and Resolutions, the net profit of each business activity is to be determined separately with reference only to the gross income and expenses of that business and without mixing the income of one activity with the expenses of another. Persons engaged in more than one business activity during the tax year may offset a loss in one business activity against the gain in another business activity. The tax is imposed on the net profit of all business activity.

A loss incurred from a profession, business activity or venture, regardless of the nature, may not be deducted from compensation, however a net loss may be deducted from the net profit of any other business activity.

EXAMPLE:

A person who receives net profits from the operation of a sole proprietorship may offset against such profits the net loss incurred as a partner or sole proprietorship in another business activity.

- I. Each resident partner or member of a non-resident partnership, association or other entity must pay the tax on his or her share of the net profits whether or not it is actually distributed to him or her.

### **SECTION 305. EXCLUSIONS FROM TAX:**

The following are not considered to be earned income and are not subject to the tax:

- A. Sickness, disability, or retirement benefits paid, other than regular wages as provided in Section 303.
- B. Benefits paid under any public assistance, unemployment or worker's compensation legislation, including supplemental unemployment benefits (SUB pay), or strike pay.
- C. Death benefit payments to an employee's beneficiary or estate, whether payable in a lump sum or otherwise.
- D. Proceeds of Life Insurance policies or annuities.
- E. Cash or property received as a gift, by will, or by statutes of descent and distribution.
- F. Personal interest and dividends. (Interest earned on business accounts must be included in the calculations of net profits and may not be deducted).
- G. Value of meals and lodging furnished by the employer to domestics or other employees for the convenience of the employer on the employer's premises.
- H. Capital gains.
- I. Social Security benefits.
- J. Veterans' Administration allotments for subsistence or disability.
- K. Income from pensions or old age and retirement benefit plans upon retirement.
- L. Active-duty military service pay for service outside the Commonwealth of Pennsylvania.
- M. Lottery winnings.
- N. Cost of group term life insurance.
- O. Individual Retirement Account (I.R.A.) payments received upon retirement.
- P. S-Corporation income. (This does not include compensation paid to the officers of an S-corporation nor does this include any salaries, wages, commissions, fees, or other compensation received by an officer, director, stockholder, or employee of an S-Corporation).
- Q. Profits from limited partnerships engaged in real estate, oil, gas, mining leases or other similar passive investments where the limited partner has no control of the business activity and where the limited partner is

liable only for the amount of his or her original investment.

- R. Distributions from deferred compensation plans to the extent that such distributions represent a return of the taxpayer's own contribution upon which he originally paid the tax. Employer contributions that were not taxed at the time of the contribution and any interest earned on the deferred compensation plan are taxable as compensation.
- S. Damages for personal injuries.
- T. Payments received for child support and alimony.
- U. Scholarships and fellowships awarded from detached generosity on the basis of financial need or academic achievement for the sole purpose of encouraging or allowing the recipient to further his or her educational development and not as compensation for past, present or future services. A scholarship or fellowship shall constitute earned income if the recipient must apply his or her skills and training to advance research, creative work or some other project or activity.
- V. Prizes and awards unless the recipient must render substantial service as a condition to receiving the prize or award.
- W. Housing allowance paid to members of the clergy.

The items listed and described within Section 305 are not to be listed as deductions against income (except paragraph N if included in State or Local wages), as they are a list of non-taxable income sources.

## **SECTION 306. RESIDENT TAXATION:**

The entirety of earned income and net profits received and/or earned by a resident of York Adams Tax Bureau's taxing jurisdiction and its coterminous Taxing Districts is subject to this tax. Neither the source of the earned income or net profits nor the place where it is received and/or earned exempts a resident from the tax. A listing of the York Adams Tax Bureau's taxing jurisdictions and the resident tax rates are included in Appendix D.

## **SECTION 307. NON-RESIDENT TAXATION:**

The entire earned income and net profits received and/or earned by a non-resident of the Taxing District who is employed in the Taxing District or engaged in the operation of a business, profession, or other activity for income or profit in the Taxing District, is subject to this tax; provided, however, that non-residents are not subject to taxation by school districts. See Appendix D for Member non-resident tax rates.

Maryland residents who are employed in Adams and/or York Counties are exempt from the withholding of the Pennsylvania non-resident local income tax.

Maryland residents who are employed within Adams and/or York Counties, who have had the non-resident local income tax withheld from their compensation may request a refund of the non-resident local income tax from the Tax Bureau.

Maryland residents requesting a refund of the non-resident local tax will be required to show proof of domicile in Maryland and proof that they have filed and paid Maryland State and County tax.

## SECTION 308. CREDITS:

Credit for earned income or net profits tax paid for the concurrent time period to another state or political subdivision will be allowed as a deduction from the tax liability of taxpayers for tax imposed under the provisions of the Ordinances and Resolutions and as provided by the Act. Such allowable credit will be available up to the maximum effective rate of the tax levied by the taxpayer's resident Taxing District; provided, however, that this same credit has not already been applied towards the taxpayer's liability for the Pennsylvania Personal Income Tax for the same period. Evidence of the amount of gross earnings and payments of the applicable tax on earned income or net profits is required before this credit is allowed. Taxpayers applying out-of-state credit to their local earned income tax liability must provide the following:

- (1) Local Earned Income Tax Return
- (2) PA-40 State Tax Return
- (3) PA Schedule G-L
- (4) Foreign State or Political Subdivision Tax Return
- (5) W-2(s) or other earnings documentation

The amount of the allowable credit cannot exceed the actual amount of tax paid to the other state or political subdivision for the same taxable year, and credit shall only be applied to the extent that the income taxed by the foreign state represents income subject to tax. In other words, only that portion of the taxpayer's income which was reported to the other state and taxed by that state would be eligible to be included in the calculation of out-of-state credit. If the foreign state allows deductions or credits against a gross income figure in order to arrive at a net income figure, it is the net income which becomes subject to tax by the other state. The gross figure is reduced to a net taxable figure which is then multiplied by the state's non-resident tax rate to determine the taxpayer's tax liability. When applying credit to the taxpayer's YATB earned income tax return, they must use the net income figure taxed by the other state because the other portion of their foreign income (any deductions and credits allowed) is not subject to tax.

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. No credit is allowed for taxes paid to foreign countries.

In general, there are three types of credits allowed as a deduction from the tax liability of taxpayers for the tax imposed by their resident municipality and school district:

- (1) Credit for taxes paid to another state;
- (2) Credit for income taxes paid to a municipality located in another state;
- (3) Credit for taxes paid to the City of Philadelphia.

### **Example No. 1 (Tax paid to another State):**

"A" is a resident of Springettsbury Township. The Township imposes an earned income tax and net profits tax at the rate of 1.0%. "A" is a partner in a CPA firm with offices in Springettsbury Township and New York. "A" has earned income in the Township and in New York and pays an earned income tax in the Township and a non-resident income tax to the State of New York. "A" is entitled to a credit against his Springettsbury Township tax liability for the excess or difference of the actual income tax paid to the State of New York and the amount of credit allowed for the Commonwealth of Pennsylvania Personal Income Tax.

The "Out of State" credit is calculated as follows:

- (a) Determine the income earned in each locality during the tax year.  
$$\begin{aligned} & \$50,000 \text{ in Springettsbury Township} + \$50,000 \text{ in New York, equals} \\ & \$100,000 \text{ gross income, which is all taxable locally} \end{aligned}$$
- (b) Determine "A's" Springettsbury Township calculated tax liability  
$$\$100,000 \times 1.0\% = \$ 1,000$$
- (c) Determine the amount of New York State Tax available for use against Springettsbury Twp local income tax after credit is applied to PA Department of Revenue Personal Income Tax.  
$$\text{Total New York State Taxes} = \$2,573 \text{ less } \$ 1,535 \text{ PA PIT liability } (\$50,000 \times 3.07\%)$$

Credit available towards Springettsbury Twp local income tax = \$1,038

- (d) Determine the maximum credit that can be taken for the income tax paid to New York.

$$\$50,000 \times 1.0\% = \$500$$

- (e) "A's" Springettsbury Township calculated tax liability of \$1,000 less the New York Credit of \$500 equals a final Springettsbury Township tax liability of \$500.

**Example No. 2:**

"B" is a resident of Straban Township and earns income in Wilmington, Delaware. Wilmington, Delaware imposes an earned income tax of 1.25%. Straban Township imposes an income tax of 1.7%. "B" is entitled to a credit against his Straban Township tax liability calculated as follows:

- (a) Determine income earned in each locality.

Wilmington, Delaware	\$50,000
Straban Township	<u>\$50,000</u>
Total	\$100,000

- (b) Determine "B's" Straban Township calculated tax liability

$$\$100,000 \times 1.7\% = \$1,700$$

- (c) Determine the amount of Wilmington DE tax payment available for use against the Straban Township tax liability.

$$\$50,000 \times 1.25\% = \$625$$

- (d) Determine the maximum credit that can be taken for the income tax paid to Wilmington, DE.

$$\$50,000 \times 1.7\% = \$850$$

- (e) Determine the actual credit against "B's" Straban Township tax liability

"B's" available tax credit of \$625 is less than the potential maximum credit of \$850. Therefore, his Final Straban Township tax liability is:

$$\$1,700 - \$625 = \$1,075$$

**Example No.3 (Philadelphia Tax – Super Credit):**

C is a resident of Dallastown Borough. Dallastown Borough imposes an earned income and net profits tax at the rate of 1%. C earns \$ 50,000 in Philadelphia which imposes a similar tax which C paid. C is entitled to a credit against his Dallastown Borough tax liability calculated as follows:

- (a) Determine income earned in each locality

Philadelphia income	\$50,000	(\$1,860 Withheld for Philly)
Elsewhere income	+ <u>\$50,000</u>	(\$500 withheld for Dallastown)
Total income	\$100,000	

- (b) Determine C's Dallastown Borough tax liability

$$\$100,000 \times 1\% = \$1,000$$

- (c) All of the amount withheld and paid to the City of Philadelphia may be used as a credit against Dallastown Borough's tax liability. However, "C" will not be entitled to a refund any excess as that is retained by Philadelphia.

\$1,000 Dallastown Tax Liability - \$1,860 Philadelphia Credit = (\$860 Excess). Therefore, "C" will receive the \$500 that was withheld by the employer as a refund.

In addition, if "C" has a spouse the excess unused part of the credit (\$860) may be used to offset the spouse's local tax liability.

Residents who take credit for taxes paid in other jurisdictions shall provide the York Adams Tax Bureau with an exact copy of the tax return as filed with the other taxing jurisdictions, along with an exact copy of their Commonwealth of Pennsylvania Personal Income Tax Return (PA-40), as filed, including a copy of their PA Schedule G and any additional documentation or schedules requested by the Tax Bureau. **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.**

Residents who pay taxes to "any foreign country" **SHALL NOT BE ELIGIBLE FOR CREDITS** against the earned income/compensation and/or net profits tax.

## **SECTION 309. DEDUCTIONS AND LOSSES:**

### **A. Deductions:**

**Employee Unreimbursed Business Expenses** - Business Expenses for which an employee has not been reimbursed are allowed as a deduction from earned income provided such expense must be "ordinary, necessary, reasonable, actually incurred in performing the duties of the job, and directly related to present employment

The Pennsylvania Personal Income Tax Schedule UE covers these expenses:

1. Travel and mileage;
2. Union dues/agency fees (or collective bargaining expenses, both of which are deductible over the life of the contract)/initiation fees;
3. Work clothes not suitable for street wear required to be purchased. This includes cleaning, altering, and repairs;
4. Small tools and supplies;
5. Professional license fees, malpractice insurance, and fidelity bond premiums where required by law or employer;
6. Moving expenses – provided the transfer is from one permanent duty station to another and provided that the net distance difference between the residence and the old duty station and the original residence and the new duty station is 35 miles or more (the 35 mile rule is waived for military personnel and their families). Expenses are limited to those incurred in moving family, self, and household goods from point of departure to point of arrival. Expenses associated with job-hunting trips are not deductible;
7. Educational expenses. An individual taxpayer's educational expenses are deductible if the education maintains or improves the skills used in the taxpayer's employment or trade or business (i.e. continuing education requirements prevalent in many professions or occupations) or is required for the taxpayer to keep his salary, status, or employment. However, the expenses are not deductible if the education qualifies the taxpayer for a new trade or business (i.e. a current teacher qualifying to be a principal of the education institution), or is required to meet the minimum educational requirements of the taxpayer's current employment, trade or business.
8. Office work area expenses;
9. Miscellaneous expenses:
  - Breakage fees
  - Cash shortages
  - Blind employees costs incurred to pay readers
  - Business gifts
  - Fees on W-2 which must be paid back to employer (e.g. Jury duty where employer continues full wages and requires repayment of monies received for jury duty)
  - Reimbursements received not on W-2 must be deducted from expenses claimed on PA Schedule UE
  - Depreciation expense
  - Per Diem expenses if the taxpayer reports the per diem income.

The Pennsylvania Personal Income Tax Schedule UE does NOT cover these expenses:

1. Deductions not allowable as business expenses;
2. Personal, living, or family expenses;
3. Capital expenditures normally are not an allowable business expense except through depreciation. Certain depreciation expense exclusions may be taken. Federal depreciation or cost-recovery deductions are acceptable for Pennsylvania local tax purposes as an administrative convenience to compute allowable business expense deductions;
4. Dues to professional or fraternal societies, Chambers of Commerce, or recreational club memberships;
5. Subscriptions to publications;
6. Campaign or political contributions;
7. Charitable contributions;
8. Commuting expenses;
9. Cost of meals while working late except while traveling away from home overnight;
10. Occupational privilege taxes;
11. Child care and elderly care expenses;
12. Life, disability income, and health service insurance premiums;
13. Malpractice insurance premiums except where required by law or employer;
14. Pension contributions;
15. Fines, penalties, legal fees (except to recover back wages), and bad debts;
16. Bribes, kickbacks, or other illegal payments;
17. Eligible job hunting expenses and pre-employment expenses or initial agent's fees;
18. Residential phone service (however, specific charges for telephone calls required to be made for business purposes may be deducted).
19. Taxpayer's with multiple W-2's, where expenses are greater than the wages from one employer, are NOT allowed deductions against other compensation from other employers.

Separate Pennsylvania Personal Income Tax Schedules UE must be completed for each taxpayer and for each employer and occupation. This means that a separate PA Schedule UE must be filed for every W-2 form received by the taxpayer. Additionally, the York Adams Tax Bureau has the right to request a detailed breakdown of expenses for each employer or occupation to verify actual expenses.

The taxpayer has the burden of proving that any expense claimed is ordinary, necessary, reasonable, actually incurred in performing the duties of the job, and directly related to present employment and must maintain adequate and sufficient records to substantiate any such deduction taken.

#### **B. Losses:**

Taxpayers are not allowed to offset a loss in one class of income against a gain in another class of income.

If a net loss is incurred from the operation one or more business activities, the amount of the net loss or losses may be combined with the net profit or profits of any other business or businesses. The combination of net losses and net profits cannot be less than "0" (zero).

Losses may only be applied in the year in which the loss was actually incurred and may not be carried forward to subsequent years.

One person's losses may not be deducted from his or her spouse's earnings.

S-Corporation losses may not offset the earned income or net profit of any taxpayer.

## **ARTICLE IV COLLECTION AT THE SOURCE**

### **SECTION 401. EMPLOYERS REQUIRED TO WITHHOLD:**

- A. Every employer having an office, factory, workshop, branch, warehouse or other place of business located within the Taxing District and who employs one or more persons (other than domestic servants in a private home) for a salary, wage, commission, or other compensation, shall deduct the tax from the employee's wage at the time of payment thereof.
- B. Fiduciary Status - Employers who withhold earned income tax from employees, and the person responsible for the transmission of earned income tax withheld by a corporate employer, shall be a fiduciary charged with all the responsibilities of a fiduciary with respect to taxes withheld, and shall be subject to all duties imposed by law on fiduciaries, including criminal penalties for breach of duties.

### **SECTION 402. VOLUNTARY WITHHOLDING:**

Any employer located outside the Commonwealth of Pennsylvania may voluntarily withhold the tax from employees who are residents of Pennsylvania but are employed outside of Pennsylvania. The York Adams Tax Bureau will accept the remittance of such withholdings and will distribute the tax to the Pennsylvania employee's resident municipality and school district. Employers outside the Commonwealth of Pennsylvania who withhold the tax from their Pennsylvania resident employees assume the fiduciary responsibilities as outlined in Section 401.B.

### **SECTION 403. REGISTRATION OF EMPLOYERS:**

- A. Each employer withholding or required to withhold tax pursuant to Sections 401 and 402 shall register with the York Adams Tax Bureau such employer's name and address and such other information as the Officer may require within fifteen (15) days after becoming a withholding employer.
- B. All employers who have a place of business located within the Taxing District shall maintain complete records of all employees for a period of six (6) years in such form as to enable the Officer to determine the employers' liability to withhold for each employee, the amount of taxable income for each employee, the actual amount of tax withheld, the actual amount transmitted to the Officer and such other information available to such employers as will enable the Officer to carry out his or her responsibilities.

### **SECTION 404. LIABILITY OF EMPLOYEE:**

Failure or omission of any employer to withhold the tax shall not relieve the employee from payment of the tax, or from complying with the requirements relating to the filing of declarations and returns.

## ARTICLE V PAYMENT OF TAX AND RETURNS

### SECTION 501. ANNUAL RETURNS OF TAXPAYERS:

- A. On or before April 15 of each year, every person who was:
- (1) a resident of the Taxing District who was employed or engaged in the operation of a business, profession, or other activity for income or profit; or
  - (2) a non-resident of the Taxing District who was employed in the Taxing District or engaged in the operation of a business, profession, or other activity for income or profit in the Taxing District, for all or any part of the preceding calendar year; shall file with the York Adams Tax Bureau an Annual Tax Return showing all earned income and net profits received and/or earned for the previous year.
- B. Persons residing in more than one taxing district during the calendar year must file a prorated Annual Tax Return with the Officer for each county Tax Collection District in which they resided during the year.
- C. If a person was unemployed and/or had no earned income or business profit/loss to report and they were not fully retired or permanently disabled for the full tax year, an Annual Tax Return must still be filed. The taxpayer shall file a “zero” return with the York Adams Tax Bureau, and the return shall be signed, dated, and returned to the York Adams Tax Bureau with an explanation (Military Service, Retired, Disability Income Only, Unemployment Compensation Only, S-Corporation Only, Housewife, Unemployed Student, or Deceased). A “zero” return may also be filed using the PALite Online Filing System.
- D. If net profits are received, the type of business, profession or activity shall be indicated on the Annual Tax Return and the amount of the profit shall be shown on the appropriate line of the return. If a net loss is incurred in the operation of a business activity, it may not be offset against the earned income/compensation. A net loss incurred in the operation of a business activity may be offset against net profit of other business activities, however, and the net amount cannot be less than zero. There shall also be attached to the Annual Tax Return a copy of the appropriate Pennsylvania Income Tax Schedules (e.g., C, E, F, or RK-1) to substantiate profits and/or losses indicated.
- E. When a return is made for a fiscal year, the return shall be filed within one hundred and five (105) days from the end of said fiscal year.
- F. The Annual Tax Return shall also show the taxpayer's name, Social Security number, address, place or places of employment or business, the amount of tax due, the amount of credit claimed for tax withheld by an employer (with a copy of the Earnings and Tax Statement showing the amount of tax withheld) and such other information as may be indicated on the return form or as may be required by the Officer.
- G. Every person subject to the tax shall file such return regardless of the fact that his or her wages may have been subject to withholding of the tax by his or her employer and regardless of whether or not any tax is due.
- H. At the time of filing the annual return, the taxpayer shall pay any tax due. Total balances less than two dollars (\$2.00) need not be paid.
- I. The annual tax return (if filed on a paper form) must be signed and dated by the taxpayer in the space provided. If the taxpayer qualifies for filing online through [www.palite.org](http://www.palite.org), the taxpayer shall electronically acknowledge and submit the return by completing the online filing process.
- J. JOINT FILING of an annual return by husband and wife shall be allowed, provided that there is no combining of earned incomes, net profits (losses), taxes paid by taxpayers, taxes withheld by employers, or unreimbursed business expenses. Each taxpayer shall report his or her earned income(s), net profits(s), taxes paid by the taxpayer, taxes withheld by the taxpayer's employer, and business expenses, individually, in the columns on the annual tax return headed by their social security number.
- K. Taxpayers with S-Corporation income shall file an Annual Tax Return and attach a copy of their Federal Tax Form 1120S or PA RK-1. There is no tax due on S-Corporation Income at this time; however, the filing of Federal

or State tax forms is required for audit purposes only and will prevent needless correspondence when the Tax Bureau matches reported local income with reported state income.

- L. Remittances shall be made payable to the York Adams Tax Bureau.
- M. Third party checks in payment of the tax due may be refused by the York Adams Tax Bureau.
- N. Bad Checks/Bad ACH's - A \$ 35.00 charge will be levied each time a check or ACH/electronic check payment is returned from the bank unpaid. Checks issued in violation of the Pennsylvania Crimes Code will be referred to appropriate authorities for possible criminal prosecution.

## **SECTION 502. DECLARATION AND PAYMENT OF TAX:**

### **A. Application.**

- (1) Income taxes shall be applicable to taxable income earned or received based on the method of accounting used by the taxpayer in the period beginning January 1 of the current year and ending December 31 of the current year; except that taxes imposed for the first time and changes to existing tax rates shall become effective on January 1 or July 1, as specified in the ordinance or resolution, and the tax shall continue in force on a calendar year or taxpayer fiscal year basis, without annual reenactment, unless the rate of the tax is subsequently changed.
- (2) For a taxpayer whose fiscal year is not a calendar year, the tax officer shall establish deadlines for filing, reporting and payment of taxes which provide time periods equivalent to those provided for a calendar year taxpayer.

### **B. Partial domicile.**

The taxable income subject to tax of a taxpayer who is domiciled in a political subdivision for only a portion of the tax year shall be an amount equal to the taxpayer's taxable income multiplied by a fraction, the numerator of which is the number of calendar months during the tax year that the individual is domiciled in the political subdivision, and the denominator of which is 12. A taxpayer shall include in the numerator any calendar month during which the taxpayer is domiciled for more than half the calendar month. A day that a taxpayer's domicile changes shall be included as a day the individual is in the new domicile and not the old domicile. If the number of days in the calendar month in which the individual lived in the old and new domiciles are equal, the calendar month shall be included in calculating the number of months in the new domicile.

### **C. Declaration and payment.**

Except as provided in subsection A (2) above, taxpayers shall declare and pay income taxes as follows:

- (1) Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the resident tax officer, a final return showing the amount of taxable income received during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due on the taxable income, the amount of tax paid, the amount of tax that has been withheld under section 512 and the balance of tax due. All amounts reported shall be rounded to the nearest whole dollar. At the time of filing the final return, the taxpayer shall pay the resident tax officer the balance of the tax due or shall make demand for refund or credit in the case of overpayment.
- (2) (i) Every taxpayer making net profits shall, by April 15 of the current year, make and file with the resident tax officer a declaration of the taxpayer's estimated net profits during the period beginning January 1 and ending December 31 of the current year, and shall pay to the resident tax officer in four equal quarterly installments the tax due on the estimated net profits. The first installment shall be paid at the time of filing the declaration, and the other installments shall be paid on or before June 15 of the current year, September 15 of the current year and January 15 of the succeeding year, respectively.
- (ii) Any taxpayer who first anticipates any net profit after April 15 of the current year, shall make and file the declaration required on or before June 15 of the current year, September 15 of the current year or December 31 of the current year, whichever date next follows the date on which the taxpayer first

anticipates such net profit, and shall pay to the resident tax officer in equal installments the tax due on or before the quarterly payment dates that remain after the filing of the declaration.

- (iii) Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the resident tax officer a final return showing the amount of net profits earned or received based on the method of accounting used by the taxpayer during the period beginning January 1 of the current year, and ending December 31 of the current year, the total amount of tax due on the net profits and the total amount of tax paid. At the time of filing the final return, the taxpayer shall pay to the resident tax officer the balance of tax due or shall make demand for refund or credit in the case of overpayment. Any taxpayer may, in lieu of paying the fourth quarterly installment of the estimated tax, elect to make and file with the resident tax officer on or before January 31 of the succeeding year, the final return.
  - (iv) A taxpayer may have a change in income or credits during the year that requires a change to his or her estimated local tax payments. To amend the estimated local tax, the taxpayer must first calculate the total amount of estimated tax due by multiplying the gross income by the taxpayer's resident local tax rate. The taxpayer should then subtract any local income tax withheld, local income tax credit from a previous year and any estimated local income tax payments already made for the current year from the calculated total estimated local income tax. This remaining estimated local income tax shall be divided by the number of payment dates left in the current year to arrive at the amended quarterly estimated local income tax payments.
  - (v) Every taxpayer who discontinues business prior to December 31 of the current year, shall, within 30 days after the discontinuance of business, file a final return as required under this paragraph and pay the tax due.
- (3) Every taxpayer who receives any other taxable income not subject to withholding under section 512(3) shall make and file with the resident tax officer a quarterly return on or before April 15 of the current year, June 15 of the current year, September 15 of the current year, and January 15 of the succeeding year, setting forth the aggregate amount of taxable income not subject to withholding by the taxpayer during the three-month periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year, and December 31 of the current year, respectively, and subject to income tax, together with such other information as the department may require. Every taxpayer filing a return shall, at the time of filing the return, pay to the resident tax officer the amount of income tax due.
  - (4) An estimated underpayment penalty shall be imposed if timely prepayments of the current year's estimated local income tax are not at least 90 percent of the taxpayer's tax liability as shown on the current year return, or 100 percent of the product of multiplying the taxable income on the prior year's return by the current tax year's local income tax rate.

### **SECTION 503. RETURNS OF EMPLOYERS AND PAYMENTS OF WITHHELD TAX:**

For taxable years commencing on and after January 1, 2010 income taxes shall be withheld, remitted and reported as follows:

- (1) Every employer having an office, factory, workshop, branch, warehouse or other place of business within a tax collection district who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered, shall, within 15 days after becoming an employer, register with the tax officer the name and address of the employer and such other information as the department may require.
- (2) An employer shall require each new employee to complete a certificate of residency form, which shall be an addendum to the Federal Employee's Withholding Allowance Certificate (Form W-4). An employer shall also require any employee who changes their address or domicile to complete a certificate of residency form. Upon request, certificate of residency forms shall be provided by the department. The certificate of residency form shall provide information to help identify the political subdivisions where an employee lives and works.
- (3) Every employer having an office, factory, workshop, branch, warehouse or other place of business within a tax collection district that employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, shall, at the time of payment, deduct from the compensation due each employee employed

at such place of business the greater of the employee's resident tax or the employee's nonresident tax as released in the official register under section 511.

- (4) Except as set forth in paragraph (5), within 30 days following the end of each calendar quarter, every employer shall file a quarterly return and pay the amount of income taxes deducted during the preceding calendar quarter to the tax officer for the place of employment of each employee. The form shall show the name, address and Social Security number of each employee, the compensation of the employee during the preceding three-month period, the income tax deducted from the employee, the political subdivisions imposing the income tax upon the employee, the total compensation of all employees during the preceding calendar quarter, the total income tax deducted from the employees and paid with the return and any other information prescribed by the department. All employers shall be required to make and file quarterly returns via the PaLite Online Filing Cooperative ([www.palite.org](http://www.palite.org)) or by using electronic media. An additional processing fee will be charged for all paper filings.
- (5) Notwithstanding paragraph (4), the provisions of this paragraph shall apply if an employer has more than one place of employment in more than one tax collection district. Within 30 days following the last day of each month, the employer may file the return required by paragraph (4) and pay the total amount of income taxes deducted from employees in all work locations during the preceding month to the tax officer for either the tax collection district in which the employer's payroll operations are located or as determined by the department. The return and income taxes deducted shall be filed and paid electronically. The employer must file a notice of intention to file combined returns and make combined payments with the tax officer for each place of employment at least one month before filing its first combined return or making its first combined payment. This paragraph shall not be construed to change the location of an employee's place of employment for purposes of nonresident tax liability.
- (6) Any employer who for two of the preceding four quarterly periods has failed to deduct the proper income tax, or any part of the income tax, or has failed to pay over the proper amount of income tax as required by paragraph (3) to the tax collection district, may be required by the tax officer to file returns and pay the income tax monthly. In such cases, payments of income tax shall be made to the tax officer on or before the last day of the month succeeding the month for which the income tax was withheld.
- (7) On or before February 28 of the succeeding year, every employer shall file with the tax officer where income taxes have been deducted and remitted pursuant to paragraph (3):
  - (i) An annual return showing, for the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of compensation paid, the total amount of income tax deducted, the total amount of income tax paid to the tax officer and any other information prescribed by the department.
  - (ii) An individual withholding statement, which may be integrated with the Federal Wage and Tax statement (Form W-2), for each employee employed during all or any part of the period beginning January 1 of the current year and ending December 31 of the current year, setting forth the address and Social Security number, the amount of compensation paid to the employee during the period, the amount of income tax deducted, the amount of income tax paid to the tax officer, the numerical code prescribed by the department representing the tax collection district where the payments required by paragraphs (4) and (5) were remitted and any other information required by the department. Every employer shall furnish one copy of the individual withholding statement to the employee for whom it is filed.
- (8) Any employer who discontinues business prior to December 31 of the current year shall, within 30 days after the discontinuance of business, file returns and withholding statements required under this section and pay the income tax due.
- (9) Except as otherwise provided in section 511, an employer who willfully or negligently fails or omits to make the deductions required by this subsection shall be liable for payment of income taxes which the employer was required to withhold to the extent that the income taxes have not been recovered from the employee. The failure or omission of any employer to make the deductions required by this section shall not relieve any employee from the payment of the income tax or from complying with the requirements for filing of declarations and returns.
- (10) Bad Checks/Bad ACH - A \$35.00 charge will be levied each time a check or ACH debit is returned from the bank unpaid. Checks issued in violation of the Pennsylvania Crimes Code will be referred to the appropriate authorities for possible criminal prosecution.

## **SECTION 504. FISCAL YEARS**

- A. Normally taxpayers shall use the calendar year method for reporting and paying the tax.
- B. A taxpayer, by filing with the Officer his written election to do so, may make and file returns and pay tax on the same Fiscal Year basis used for Federal Tax purposes. (See Section 501.E).

## **SECTION 505. CASH OR ACCRUAL BASIS:**

- A. A taxpayer may calculate income on the cash or accrual basis as those terms are used for Commonwealth of Pennsylvania Personal Income Tax purposes. The basis used by the taxpayer shall be the same as used by the taxpayer for the Pennsylvania Personal Income Tax.
- B. Illustrations of Computations of Net Profits - As amplification of the definition contained in Section 505 A, but not a limitation thereof, the following information and requirements for the determination of net business profits are furnished:
  - (1) "Cash Basis" Method - A taxpayer employing the cash basis of accounting includes in gross income all income subject to tax received during the year in cash or its equivalent. He or she deducts all disbursements made during the year in cash or its equivalent, provided deduction for such expenditures is authorized by law.
  - (2) The use of the "Cash Basis" is mandatory where no books or records of account are maintained.
  - (3) Items of income and expenditure which, as gross income and deduction, are elements in computing taxable income need not necessarily be in the form of cash. It is sufficient that such items, if otherwise properly included in the computation, can be valued in terms of money.

EXAMPLE: A taxpayer on the "Cash Basis" received shares of stock in payment of services. Assuming that the stock has a fair market value, the taxpayer has received the equivalent of cash to the extent of its value and that amount must be included as income.

- (4) If a return is made on the "Cash Basis", gross profit shall include receipts from commissions, fees and interest, as well as the gross profit or loss from sales of merchandise, chattels, goods, wares, securities, notes, choses-in-action and services.
- (5) "Accrual Basis" - If income is taken into consideration when earned, even though not received in cash, and expenses are considered as soon as incurred, whether paid or not, the system of accounting is said to be on the "Accrual Basis". These are the basic rules: (a) the right to receive an item of income (as distinguished from actual receipt) determines its inclusion in gross income under the "Accrual Basis"; and (b) a deduction cannot be accrued until an actual liability is incurred.

EXAMPLE: In September of last year a contractor performed work for a customer. Payment for this work was not received until this year. If the taxpayer reports on the "Accrual Basis", the income will be included in last year's return (when earned). If the taxpayer reports on the "Cash Basis", the payment will be included in this year's return (when received).

- C. A taxpayer engaged in more than one business activity may, in computing taxable income, use a different method for each trade or business activity.
- D. Methods of accounting must clearly reflect income. No method of accounting is allowed unless it clearly reflects income. Thus, even if the taxpayer's accounts are kept and the return made on the "Cash Basis", unusual cases may arise in which a payment made during the year is not deductible.

EXAMPLE: Commissions, fees and costs paid in one year by a taxpayer in securing a loan for ten or fifteen years covered by a mortgage on property to be leased are not deductible in full in the year of payment but should be spread over the period of the loan, even though the taxpayer's accounts are kept and the return made on the "Cash Basis."

## **SECTION 506. PENALTY AND INTEREST**

If for any reason the tax is not paid when due, interest at the rate 3% percent per annum (.000082/day) on the amount of said tax, or at the rate established by the Commonwealth of PA from time to time, and an additional penalty of one percent (.01) of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. Where suit shall be brought for recovery of any such tax, the person liable therefore shall, in addition, be liable for the cost of collection and the interest and penalty herein imposed.

Abatement of certain interest and penalty will be considered under the following conditions:

- A. Errors and delays – In the case of any underpayment, the Tax Bureau may abate all or any part of penalty and/or interest for any period for the following:
  - (1) Any underpayment of tax finally determined to be due attributable in whole or in part to any error or delay by the Tax Bureau in the performance of a ministerial act. For the purposes of this paragraph, an error or delay shall be taken into account only if no significant aspect of the error or delay can be attributed to the taxpayer and after the Tax Bureau has contacted the taxpayer in writing with respect to the underpayment of tax finally determined to be due or payable.
  - (2) Any payment of a tax to the extent that any error or delay in the payment is attributable to an officer, employee or agent of the Tax Bureau being erroneous or dilatory in the performance of a ministerial act. The Tax Bureau shall determine what constitutes timely performance of ministerial acts performed under this subsection.
  - (3) The timely performance of ministerial acts shall mean that the Tax Bureau shall contact the taxpayer or employer within 60 days of receiving a properly filed tax return. If the Tax Bureau fails to notify the taxpayer or employer of an underpayment of tax within 60 days of the receipt of a properly filed return, that taxpayer or employer shall be given 30 days to satisfy the underpayment without the accrual of penalty and interest. If that taxpayer or employer fails to satisfy the underpayment within 30 days penalty and interest shall be applied from the date the tax was originally due.
  - (4) A “properly filed return” shall be defined as a return that has been prepared in accordance with these Rules and Regulations and contains all supporting documents, forms, schedules, etc.
- B. Abatement due to erroneous written advice by the Tax Bureau:
  - (1) The Tax Bureau shall abate any portion of any penalty or excess interest attributable to erroneous advice furnished to the taxpayer in writing by and officer, employee or agent of the Tax Bureau acting in the officer’s, employee’s or agent’s official capacity if:
    - (i) the written advice was reasonably relied upon by the taxpayer and was in response to a specific written request of the taxpayer, and
    - (ii) The portion of the penalty or addition to tax or excess interest did not result from the failure by the taxpayer to provide adequate or accurate information.
  - (2) This subsection shall not be construed to require the Tax Bureau to provide written advice to the taxpayer.
- C. There is no abatement of tax for any reason.

## **SECTION 507. COSTS OF COLLECTION:**

Costs incurred by the Bureau to gain compliance from delinquent taxpayers in filing returns for back years or in the collection of tax, penalty and interest due shall be passed through to the taxpayer according to the Schedule of Costs of Collection adopted by the Board of Directors of the York Adams Tax Bureau, as amended. The complete Schedule may be found in Appendix B.

**SECTION 508. EXTENSIONS:**

A taxpayer who requires an extension of time in which to file his or her Annual Tax Return shall make payment of any tax due or an estimated payment of any tax due on or before April 15<sup>th</sup>. Extensions are granted for the filing of the annual tax return and shall not be considered as an extension for payment of the tax due.

Interest and penalty, as outlined in Section 506, will be added and collected on tax not received by the April 15<sup>th</sup> due date, even though an extension of time for filing has been granted.

**SECTION 509. CHANGE IN FEDERAL OR PENNSYLVANIA TAXABLE INCOME:**

If the amount of a taxpayer's earned income or net profits reported on his or her annual Federal or Pennsylvania Income Tax Return is changed or corrected either by action of the Internal Revenue Service or Pennsylvania Department of Revenue or by the individual's filing of an amended annual Federal or Pennsylvania Return, the taxpayer shall report to the York Adams Tax Bureau such change or correction within thirty (30) days after the date when the change or correction was determined, by filing an amended tax return indicating the applicable tax year on the return.

## **ARTICLE VI ADMINISTRATION AND ENFORCEMENT**

### **SECTION 601. INCOME TAX OFFICER:**

- A. The Tax Officer is charged with the administration and enforcement of the Ordinances and Resolutions and these Rules and Regulations, and is authorized to act on behalf of the York Adams Tax Bureau member municipalities and school districts in such administrative and enforcement matters.
- B. The York Adams Tax Bureau shall keep a record showing the amount received by it from each person paying the tax and, if paid by such person in respect of another person, the name of such other person, and the date of receipt for seven (7) years.
- C. The York Adams Tax Bureau has prepared a “BUREAU POLICY REGARDING THE LOCAL TAXPAYER’S BILL OF RIGHTS” which sets forth the following in simple and non-technical terms:
  - (1) The rights of a taxpayer and the obligation of the local taxing authority during an audit or administrative review of the taxpayer’s books and records.
  - (2) The administrative and judicial procedures by which a taxpayer may appeal or seek review of any adverse decision of the local taxing authority.
  - (3) The procedure for filing and processing refund claims and taxpayer complaints.
  - (4) The enforcement procedures.

This policy is published on the Bureau’s website, [www.yatb.com](http://www.yatb.com), and in Appendix A.

### **SECTION 602. ADMINISTRATIVE APPEALS:**

- A. The York Adams Tax Bureau encourages any taxpayer or employer desiring a specific ruling concerning the Ordinances, Resolutions or these Rules and Regulations to submit all pertinent facts in writing to the Tax Officer who shall issue a written ruling.
- B. The York Adams Tax Bureau has established an administrative process to receive and make determinations on petitions from taxpayers relating to the assessment, determination and refund of eligible taxes as required by ACT 50 of 1998. The Tax Collection Committee’s Hearing Officer or Tax Appeals Board shall rule on all petitions submitted based on the regulations set forth governing the practice and procedures of the Administrative Appeal Process.
- C. Any taxpayer who is aggrieved by an assessment or determination or delinquency of any of the eligible taxes would have 90 days from the date of the assessment or determination notice to file a Petition for Administrative Appeal to request reassessment or re-determination by the Tax Collection Committee’s Hearing Officer or Tax Appeals Board.
- D. The Petition for Administrative Appeal is published on [www.yatb.com](http://www.yatb.com) and is also found in Appendix C of these regulations. The petition should contain a brief summary of the action and the “legal basis” that precipitated the filing for reassessment or re-determination, along with any pertinent information (copies of tax returns, supporting information, tax schedules, expense records, etc.)
- E. The petition shall be mailed via First Class Mail or delivered in person to the Tax Collection Committee’s Hearing Officer or Tax Appeals Board c/o the Executive Director of the York Adams Tax Bureau. Hand delivered petitions will be receipted by the Tax Bureau and will be considered filed as of the date receipted. Petitions received by mail will be considered filed as of the United States Postal Service postmark stamped on the envelope.
- F. Petitions received by the Tax Bureau will be immediately forwarded to the Tax Collection Committee’s Hearing Officer or Tax Appeals Board. Within 10 days of the petition filing date the Tax Officer will submit his or her position and all relevant facts pertaining to the action that precipitated the petition to the Tax Collection Committee’s Hearing Officer or Tax Appeals Board.

- G. Within 60 days of the petition's filing date a "Final Decision" must be issued by the Tax Collection Committee's Hearing Officer or Tax Appeals Board. Failure to issue a "Final Decision" within 60 days will result in the petition being deemed approved.
- H. Any person aggrieved by a decision of the Tax Collection Committee's Hearing Officer or Tax Appeals Board, who has a direct interest in the decision shall have the right to appeal to the county court vested with the jurisdiction of local tax appeals by or pursuant to Title 42 Pa.C.S. (relating to judiciary and judicial procedure.)
- I. Decisions under this SECTION 602 may be made according to the principles of law and equity.

**SECTION 603. EXAMINATION OF BOOKS AND RECORDS OF TAXPAYERS AND EMPLOYERS:**

- A. The Tax Officer and agents or staff members of the York Adams Tax Bureau designated in writing by the Tax Officer are authorized to examine the books, papers and records of any taxpayer or supposed taxpayer of any employer or supposed employer in order to verify the accuracy of any return; or, if no return was filed, to ascertain the tax due, if any. Every taxpayer or supposed taxpayer and every employer or supposed employer is required to give the Officer or any agent or staff member so designated the means, facilities and opportunity for such examination and investigations as are authorized. In addition to all other powers, the Officer and agents or staff members of the York Adams Tax Bureau shall have the power, on behalf of the taxing jurisdiction to examine any person under oath concerning salaries, wages, commissions, and other compensation listed on the annual tax return, or which should have been listed on the annual tax return for taxation hereunder; to compel the production of books, papers and records, and the attendance of persons (whether as parties, principals, agents or witnesses) before him.

Pursuant to the foregoing, the Officer and agents or staff members of the York Adams Tax Bureau are authorized to require the production of federal and/or state tax returns for purposes of determining the accuracy of a taxpayer's local tax return and/or of assessing the earned income and net profits tax. [See *Borough of Brookhaven v. Century 21, 57 Pa. Cmwlth. 211 (1981)*].

- B. The minimum time period for taxpayer response to requests for information shall be 30 days from the mailing of the audit notice. The Tax Bureau shall grant reasonable extensions upon application for good cause and shall notify the taxpayer of the procedure to obtain an extension in its initial request for information.

An initial inquiry by the Tax Bureau regarding a taxpayer's compliance with any eligible tax may include taxes required to be paid or tax returns required to be filed no more than three years prior to the mailing date of the notice.

The Tax Bureau may make a subsequent request for a tax return or supporting information if, after the initial request, the Bureau determines that the taxpayer has failed to file a tax return, underreported income or failed to pay a tax for one or more of the tax periods covered by the initial request. Note that this requirement shall not apply if the Bureau has sufficient information to indicate that the taxpayer failed to file a required return or pay an eligible tax which was due more than three years prior to the date of the notice.

- C. Any information gained by the Tax Bureau as a result of any audit, return, report, investigation, hearing or verification shall be confidential tax information. It shall be unlawful, except for official purposes or as provided by law, for the Tax Bureau to:
  - (1) Divulge or make known in any manner confidential information gained in any return investigation, hearing or verification to any person.
  - (2) Permit confidential tax information or any book containing any abstract or particulars thereof to be seen or examined by any person.
  - (3) Print, publish or make known in any manner any confidential tax information.

**SECTION 604. RECORDS TO BE RETAINED BY TAXPAYERS:**

Taxpayers and employers subject to the Ordinances or Resolutions are required to keep such records as will enable the filing of true and accurate returns, whether taxes are withheld at the source of earned income or of taxes payable upon earned income or net profits, or both; and such records shall be preserved for a period of not less than six (6) years in order

to enable the York Adams Tax Bureau to verify the correctness and accuracy of the returns filed.

## **SECTION 605. REFUNDS AND CREDITS:**

A valid Annual Tax Return must be filed before a request for a refund or credit can be considered. Depending on the nature of the refund or credit, additional documentation to substantiate the request may be required by the York Adams Tax Bureau. Refund and credit requests will not be processed until the necessary documentation is provided. Requests for refunds and credits will be considered based upon the relevant facts and circumstances pertinent to each case. Unsupported or unexplained expense amounts will be denied and removed from the tax calculations. Amounts less than two dollars (\$2.00) will not be refunded. Credits of less than two dollars (\$2.00) will not be extended.

- A. A taxpayer who has paid an eligible tax to the Tax Bureau may file a written request with the Bureau for a refund or credit of the eligible tax. A request for refund shall be made within three years of the due date for filing the report as extended or one year after the actual payment of the tax, whichever is later. If no report is required, the request shall be made within three years after the due date for the eligible tax or within one year after actual overpayment of the eligible tax, whichever is later.
- (1) For purposes of this section, a tax return filed by the taxpayer with the Tax Bureau showing an overpayment of tax shall be deemed to be a written request for a cash refund unless otherwise indicated on the return.
  - (2) A request for refund under this subsection shall not be considered a petition under SECTION 602 of these Rules and Regulations and shall not preclude a taxpayer from submitting a petition under SECTION 602 of these Rules and Regulations.
  - (3) For amounts paid as a result of a notice asserting or informing a taxpayer of an underpayment, a written request for refund shall be filed with the Tax Bureau within one year of the payment.
- B. All overpayments of tax due a local taxing authority shall bear simple interest from the date of overpayment until the date of resolution.

Interest on overpayments shall be allowed and paid at the same rate the Commonwealth is required to pay pursuant to 72 P.S. Section 806.1 known as the Fiscal Code. Exceptions are as follows:

- (1) No interest shall be allowed if an overpayment is refunded or applied against any other tax, interest or penalty due the Tax Bureau within 75 days after the last date prescribed for filing the report of tax liability or within 75 days after the date the tax return is filed or the report of liability is filed, whichever is later.
  - (2) Overpayments of interest and penalty shall not bear any interest.
- C. The taxpayer's acceptance of the Bureau's check shall not prejudice any right of the taxpayer to claim any additional overpayment and interest thereon. Tender of a refund check by the Tax Bureau shall be deemed to be acceptance of the check by the taxpayer for the purposes of this SECTION.
- D. As used in SECTION 605 of these Rules and Regulations, the following words and phrases shall have the meanings given to them in this Subsection D:

**Date of overpayment** - The later of the date paid or the date tax is deemed to be overpaid as follows:

- (1) Any tax actually deducted and withheld at the source shall be deemed to have been overpaid on the last day for filing the report for the tax period, determined without regard to any extension of time for filing.
- (2) Any amount overpaid as estimated tax for the tax period shall be deemed to have been overpaid on the last day for filing the final report for the tax period, determined without regard to any extension of time for filing.
- (3) An overpayment made before the last day prescribed for payment shall be deemed to have been paid on the last day.
- (4) Any amount claimed to be overpaid with respect to which lawful administrative review or appellate procedure is initiated shall be deemed to have been overpaid 60 days following the initiation of the review or procedure.

- (5) Any amount shown not to be due on an amended income or earned income and net profits tax return shall be deemed to have been overpaid 60 days following the date of the filing of the amended income tax return.

**Date of resolution** - The date the overpayment is refunded or credited as follows:

- (1) For a cash refund, a date preceding the date of the Tax Bureau's refund check by not more than 30 days.
- (2) For a credit for an overpayment:
  - (a) The date of the Tax Bureau's notice to the taxpayer of the determination of the credit; or
  - (b) The due date for payment of the tax against which the credit is applied, whichever first occurs. For a cash refund of a previously determined credit, interest shall be paid on the amount of the credit from a date 90 days after the filing of a request to convert the credit to a cash refund to a date preceding the date of the refund check by not more than 30 days whether or not the refund check is accepted by the taxpayer after tender.

## **SECTION 606. FINES AND PENALTIES FOR VIOLATIONS:**

Any person who violates any provision of the Ordinances or Resolutions shall upon conviction, be sentenced to pay a fine of not more than \$500.00 for each offense plus costs, and in default of payment thereof, to be imprisoned in the County Prison for a period not exceeding thirty (30) days. Some of the violations which may result in such conviction are:

- A. Failure, neglect, or refusal on the part of any person, to make and file any declaration or return required by the Ordinances or Resolutions.
- B. Failure, neglect, or refusal of any employer, required to withhold the tax under Article IV of these Rules and Regulations, to register with the York Adams Tax Bureau.
- C. Failure, neglect, or refusal of any employer to deduct or withhold the tax from his or her employees.
- D. Failure, neglect, or refusal to maintain or to reveal to the York Adams Tax Bureau or its authorized representative, by any person, any partner of a partnership, or any officer of a corporation or association, books, records, papers (including Federal or State tax forms) relevant to the tax imposed hereunder.
- E. Knowingly making any incomplete, false or fraudulent report or return or attempting to do any other thing to avoid full disclosure of net profits or earned income in order to avoid the payment of the whole or any part of the tax imposed by the Ordinances or Resolutions.

## **SECTION 607. CONCURRENT REMEDIES:**

Imposition of any fine or imprisonment shall not bar either civil liability for tax, penalty or interest or late filing fee or prosecution for embezzlement, fraudulent conversion, theft, or other offense under the Pennsylvania Crimes Code, or failure to file a properly prepared tax return under Act 511.

## **SECTION 608. FAILURE TO RECEIVE FORMS:**

Failure of a taxpayer or employer to receive forms or returns required by the Ordinances or Resolutions does not excuse any failure to file any reports or returns required or to pay any tax due.

## **SECTION 609. RETURN COMPLETION - GENERAL:**

- A. Each taxpayer shall account for all twelve (12) months of the calendar year as to their place of domicile and, in the case of more than one place of domicile, the months in each place of domicile and also provide the name of each Borough, Township, or City in which they were domiciled during the year.

- B. Figures are to be rounded to the nearest dollar.
- C. All appropriate schedules (Federal and State tax forms and schedules, as well as taxpayer prepared worksheets referenced on Federal or State tax forms and schedules), W2 forms, and 1099 forms shall be filed with the annual tax return. Annual tax returns received without the appropriate schedules, W2 forms, or 1099 forms shall be considered incomplete and are not a valid filing of the annual return.
- D. Taxpayers with earnings in another State who have paid tax on those earnings to the other State, and are applying for credit for tax paid to the other State, must provide a copy of the State tax return for that State, plus their Pennsylvania personal income tax return. If the aforementioned State tax returns are not provided with the annual tax return, it will be considered as being incomplete and not a valid filing of the annual tax return. Credits will not be allowed on incomplete returns.
- E. Estimates of income and or expenses by the taxpayer are not acceptable unless approved by the York Adams Tax Bureau.
- F. Should the taxpayer omit the required expense deduction forms or if the expense deduction forms are not fully completed, the expense deductions shall be disallowed and systematically denied without notification to the taxpayer. In the case where the omission of the required expense deduction forms and the subsequent denial of the expense deduction results in a balance of tax due, the taxpayer will be notified of the balance due.
- G. In most cases, taxpayers will be submitting copies of their Pennsylvania Personal Income Tax forms, schedules and worksheets with their local income tax returns. In situations where the PA Personal Income Tax form, schedule or worksheet references a Federal form, schedule or worksheet the taxpayer should attach a copy of the referenced Federal form, schedule or worksheet to their local income tax return. Annual tax returns received without a copy of the PA Personal Income Tax form, schedule or worksheet or a referenced Federal form, schedule or worksheet will be considered as an incomplete and invalid filing of the annual tax return.
- H. Taxpayers may not submit PA form 20S/PA65 in lieu of the applicable PA RK1 or NRK1 form to the York Adams Tax Bureau. Annual tax returns received without the applicable RK1 or NRK1 will be considered as an incomplete and invalid filing of the annual tax return.
- J. Annual tax returns received by the York Adams Tax Bureau that are not signed and dated by the taxpayer filing the annual tax return will be considered as an incomplete and invalid filing of the annual tax return.
- K. It is the responsibility of each taxpayer to carefully review his or her return for compliance with this Section 609 before filing.

The volume of returns filed with the York Adams Tax Bureau prevents it from reviewing all returns for completeness within such time as will permit it to communicate with individual taxpayers that a return is incomplete before date on which the return is due. The penalty and interest shall be paid to the York Adams Tax Bureau notwithstanding claims that the incomplete return was filed sufficiently in advance of the due date such that the taxpayer should or could have been notified that the return was incomplete for the purpose of amending or completing the return on or before the due date.

In the case where a taxpayer remits a voluntary payment towards tax liability, unless specified by the taxpayer otherwise, the payment shall be prioritized as follows:

- (1) Tax
- (2) Interest
- (3) Penalty
- (4) Any other fees or charges

In the case where a taxpayer remits a payment towards the tax due as calculated on the annual tax return and that annual tax return is found to be incomplete or not a valid filing of the annual tax return, as outlined above, the payment will be deposited towards the taxpayer's liability as an estimated tax payment to be reconciled upon the receipt of a complete and valid filing of the annual tax return by the aforementioned taxpayer.

The York Adams Tax Bureau may acquire Pennsylvania Department of Revenue Individual Income Tax information regarding earned income and net profits for audit and compliance purposes.

- L. The Tax Bureau shall notify the taxpayer in writing of the basis for any underpayment that the Bureau has

determined to exist. The notification shall include:

- (1) The tax period or periods for which the underpayment is asserted.
- (2) The amount of underpayment detailed by tax period.
- (3) The legal basis upon which the Tax Bureau has relied to determine that an underpayment exists.
- (4) An itemization of the revisions made by the Tax Bureau to a return or report filed by the taxpayer that results in the determination that an underpayment exists.

## **SECTION 610. WHO MUST FILE:**

A. Every person who was:

- (1) a resident of a York Adams Tax Bureau member municipality and school district who was employed or engaged in the operation of a business, profession, or other activity for income or profit; or
- (2) a non-resident of a York Adams Tax Bureau member municipality and school district who was employed in a York Adams Tax Bureau member municipality and school district or engaged in the operation of a business, profession, or other activity for income or profit in a York Adams Tax Bureau member municipality and school district for all or any part of the preceding calendar year;

shall file with the York Adams Tax Bureau an annual tax return showing all earned income and net profits received and/or earned for the previous year.

- B. Partial year residents are required to file an annual tax return for the applicable portion of the calendar year they resided in the York Adams Tax Bureau's taxing jurisdiction.
- C. Taxpayers must file an annual tax return even though they may have had no reportable earned income or business profit/loss or if all their earned income tax was withheld by an employer.
- D. Taxpayers who are on active military duty must file an annual tax return for the year in which they first entered the military on active duty and inform the York Adams Tax Bureau of their active-duty military status. Upon completion of active-duty military status, taxpayers shall resume filing annual tax returns.
- E. Taxpayers who are retired or permanently disabled and have no taxable earned income or net profits should notify the Bureau of the effective date of their retirement or permanent disability. The Bureau will amend its records to reflect the taxpayer's status change and mark them inactive.
- F. Approximately every three to five years the York Adams Tax Bureau may send annual tax forms to all residents for the purpose of updating and verifying taxpayer files.

## **SECTION 611. REGISTRATION OF TAXPAYERS:**

Every taxpayer who receives, or anticipates that he or she will receive, taxable earned income or net profits during the calendar year must register his or her name and resident address, his or her social security number and the name and address of his or her place of employment or business with the York Adams Tax Bureau. All taxpayers will thereafter be responsible for reporting changes in their name, place of residence or place of employment or business with the York Adams Tax Bureau.

## **SECTION 612. INSTALLMENT PLANS FOR DELINQUENT AMOUNTS:**

The Tax Bureau may enter into written agreements with any taxpayer under which the taxpayer is allowed to satisfy liability for any eligible tax in installment payments if the Tax Bureau determines that the agreement will facilitate collection. The following terms and conditions shall apply to installment plans:

- A. The taxpayer must file an annual tax return for the current tax year and any delinquent tax years to be covered under the installment plan. These annual tax returns must include a copy of the taxpayer's Federal and /or State Tax Return and all supporting documentation as verification that all taxable income has been reported. In cases where a Federal and/or State Tax Return cannot be produced, the taxpayer must complete a Federal Form 4506

“Request for Copies Of Tax Return” naming the York Adams Tax Bureau as recipient of the requested copy. The costs to procure the Federal Tax Return and related information are the sole responsibility of the taxpayer.

- B. Installment plans will not be approved for tax amounts less than \$ 100.00.
- C. Installment Plans will not be approved for more than 6 months. Payment amounts will be calculated by dividing the total tax liability by 6 and adding the applicable penalty, interest, fines, and costs to each payment.
- D. Taxpayers will be required to verify that their current year’s tax liability has been satisfied to date either by proof of employer withholding or by direct payment from the taxpayer.
- E. Installment Plans will be granted only 1 time to any taxpayer.
- F. Installment Plans will be revoked and immediate civil action or garnishment of wages for collection of the tax due will be initiated if any of the aforementioned terms and conditions are not met.
- G. The Tax Bureau may terminate any prior agreement if:
  - (1) The information the taxpayer provided to the Tax Bureau prior to the date of the agreement was inaccurate or incomplete, or
  - (2) If the Tax Bureau believes that collection of any eligible tax under the Installment Plan is in jeopardy.
- H. If the Tax Bureau finds that the financial condition of the taxpayer has significantly changed, the Tax Bureau may alter, modify or terminate the agreement, but only if:
  - (1) Notice of the Tax Bureau’s finding is provided to the taxpayer no later than 30 days prior to the date of such action; and
  - (2) The notice contains the reasons why the Tax Bureau believes a change has occurred.
- I. The Tax Bureau may alter, modify or terminate an Installment Plan agreement if the taxpayer fails to do any of the following:
  - (1) Pay any installment at the time the installment is due.
  - (2) Pay any other tax liability at the time the liability is due.
  - (3) Provide a financial condition update as requested by the taxpayer.
- J. Nothing in this subsection shall prevent a taxpayer from prepaying in whole or in part any eligible tax under any installment agreement with the Tax Bureau.

### **SECTION 613. SUIT FOR COLLECTION OF DELINQUENT AMOUNTS:**

- A. The Tax Officer may sue in the name of the member Municipality or School District for the recovery of taxes, penalties, interest, and costs of collection due and unpaid under the Ordinances or Resolutions.
- B. Any suit brought to recover the tax, penalty, interest, and costs of collection imposed by the Ordinances or Resolutions shall be begun within three years after such tax is due, or within three years after the declaration or return has been filed, whichever date is later: Provided, however, that this limitation shall not prevent the institution of a suit for the collection of any tax due or determined to be due in the following cases:
  - (1) Where no declaration or return was filed by any person although a declaration or return was required to be filed by him or her under provisions of the Ordinances or Resolutions, there shall be no limitation.
  - (2) Where an examination of the declaration or return filed by any person, or of any other evidence relating to such declaration or return in the possession of the Officer, reveals a fraudulent evasion of taxes, there shall be no limitation.
  - (3) In the case of substantial understatement of tax liability of twenty-five percent or more and no fraud, suit shall be begun within six years.
  - (4) Where any person has deducted taxes under the provisions of the Ordinances or Resolutions, and has failed

to pay the amounts so deducted to the Officer, or where any person has willfully failed or omitted to make the deductions required by the Ordinances or Resolutions, there shall be no limitation.

- (5) This section shall not be construed to limit the York Adams Tax Bureau from recovering delinquent taxes by any other means provided by Act 511.
- C. The Tax Officer may sue for recovery of an erroneous refund or credit provided such suit is begun two years after making such refund or credit, except that such suit may be brought within five years if it appears that any part of the refund or credit was induced by fraud or misrepresentation of material fact.
- D. All taxes deducted and withheld from employees pursuant to these Rules and Regulations, plus any penalties and interest with respect thereto, shall constitute a trust fund for the political subdivision and shall be enforceable against such employer, his representative or any other person receiving such fund.
- E. When suit is brought for the recovery of any such tax, the person liable therefore shall, in addition, be liable for the costs of collection and the penalties and interest herein imposed.

#### **SECTION 614. WAGE ATTACHMENTS:**

- A. The York Adams Tax Bureau shall demand, receive and collect from all corporations, political subdivisions, associations, companies, firms, or individuals, employing persons owing delinquent earned income taxes, or whose spouse owes delinquent earned income taxes, or having in possession unpaid commissions or earnings belonging to any person or persons owing delinquent earned income taxes, or whose spouse owes delinquent earned income taxes, upon the presentation of a written notice and demand certifying that the information contained therein is true and correct and containing the name of the taxable or the spouse thereof, and the amount of tax due. Upon presentation of such written notice and demand, it shall be the duty of any such corporation, political subdivision, association, company, firm or individual to deduct from the wages, commissions, or earnings of such individual employees, then owing or that shall within sixty (60) days thereafter become due or from any unpaid commissions or earnings of any such taxable in the employer's possession, or that shall within sixty (60) days thereafter come into the employer's possession, a sum sufficient to pay the respective amount of the delinquent earned income taxes, penalties, interest, and costs of collection, shown upon written notice or demand, and to pay the same to the York Adams Tax Bureau sixty (60) days after such notice shall have been given. No more than ten percent of the wages, commissions or earnings of the delinquent taxpayer or spouse thereof may be deducted at any one time for delinquent earned income taxes, penalties, interest and costs of collection. Such corporation, political subdivision, association, firm or individual shall be entitled to deduct from the money collected from each employee the costs incurred from the extra bookkeeping necessary to record such transactions, not exceeding two percent of the amount of money so collected and paid over to the York Adams Tax Bureau. Upon the failure of any such corporation, political subdivision, association, company, firm, or individual to deduct the amount of such taxes, penalties, interest, and costs of collection or to pay the same over to the tax collector, less the cost of bookkeeping involved in such transaction, as herein provided, within the time required, such corporation, political subdivision, association, company, firm or individual shall forfeit and pay the amount of such tax, penalty, interest and costs of collection for each such taxable whose taxes, penalties, interest and costs of collection are not withheld and paid over, or that are withheld and not paid over together with a penalty of ten percent added thereto, to be recovered by an action of assumpsit in a suit to be instituted by the York Adams Tax Bureau, or by the proper authorities of the taxing district, as debts of like amount are now by law recoverable, except that such person shall not have the benefit of any stay of execution or exemption law.
- B. The York Adams Tax Bureau shall not proceed against a spouse or his or her employer until he has pursued collection remedies against the delinquent taxpayer and his or her employer under this section.
- C. Upon presentation of a written notice and demand under oath or affirmation, to the State Treasurer or any other fiscal officer of the state, or its boards, authorities, agencies or commissions, it shall be the duty of the treasurer or officer to deduct from the wages then owing, or that shall within sixty days thereafter become due to any employee, a sum sufficient to pay the respective amount of the delinquent earned income tax, penalty, interest, late filing fee, and costs shown on the written notice. The same shall be paid to the York Adams Tax Bureau which said delinquent tax, penalty, interest and costs of collection was levied within sixty (60) days after such notice shall have been given.
- D. The York Adams Tax Bureau shall, at least fifteen (15) days prior to the presentation of a written notice and demand to the State Treasurer or other fiscal officer of the State, or to any employer, notify the taxpayer owing the delinquent tax, penalty, interest and costs of collection by registered or certified mail that a written notice and

demand shall be presented to the taxpayer's employer unless such tax, penalty, interest and costs of collection are paid. The return receipt card for certified or registered mail shall be marked delivered to addressee only, and the cost of notification by certified or registered mail shall be added to the costs for collecting taxes, penalties, interest, and costs of collection.

## APPENDIX A

### YORK ADAMS TAX BUREAU LOCAL TAXPAYER'S BILL OF RIGHTS

---

Local Taxpayers Bill of Rights provides for and sets forth: (1) taxpayer rights and the obligation of the Bureau during an audit or an administrative review of the records of the taxpayer; (2) the administrative and judicial procedures by which a taxpayer may appeal or seek review of an adverse decision of the Bureau; (3) the procedure for filing and processing refund claims and complaints; (4) the enforcement procedures.

---

#### **BUREAU REQUESTS REQUIREMENTS:**

- (1) Taxpayers have at least 30 days from the mailing date to respond to requests for information. Additional extension time must be granted upon application for good cause.
- (2) The Bureau must inform the taxpayer how to obtain an extension in its initial requests.
- (3) The Bureau shall take no lawful action against a taxpayer for the tax year in question until the expiration of the applicable response period and extensions.

#### **BUREAU REQUESTS FOR PRIOR YEAR TAX RETURNS:**

- (1) Initial inquiries by the Bureau regarding a taxpayer's compliance is limited to no more than 3 years prior to the notice mailing date.
- (2) Subsequent requests are permitted if after the initial request it is determined that the taxpayer failed to file a tax return or underreported income or failed to pay a tax for one or more of the tax periods covered by the initial request.
- (3) If the Bureau has sufficient information which indicated a taxpayer failed to file a return or pay an eligible tax which was due more than 3 years prior to the date of the notice, the requirements in (1) and (2) above do not apply.
- (4) This Bureau may require a taxpayer to provide copies of the taxpayer's federal tax returns if the Bureau can demonstrate that the federal tax information is reasonably necessary and the information is not available elsewhere, or from the Pa. Dept. of Revenue.

#### **REFUNDS:**

- (1) If a taxpayer determines that they have paid a tax to this Bureau to which the taxpayer is not subject, a request for refund of overpaid tax must be filed on a tax return form approved by this Bureau.
- (2) Requests for refunds of tax paid must be filed in writing within 3 years of the due date or 1 year after actual payment of the eligible local tax, whichever is later. If no tax return was due the request must be made within 3 years after the due date for payment of the eligible tax or within 1 year after actual payment of the tax, whichever is later. But not later than ninety days prior to the last date this Bureau is the collector of the tax for which the refund is being requested.
- (3) A local tax return filed, and showing an overpayment, shall be deemed to be a written request for a cash refund unless otherwise indicated on the tax return.
- (4) A refund request shall not be considered as an administrative appeal and shall not preclude a taxpayer from submitting a petition with the local tax officer/Bureau.
- (5) For amounts paid as a result of a notice asserting or informing a taxpayer of an underpayment, a written refund request must be filed within 1 year with the Bureau.

**INTEREST ON OVERPAYMENT:**

- (1) Interest on overpayments shall be allowed and paid at the same rate as the commonwealth is required to pay pursuant to section 806.1 of the Fiscal Code (P.L. 343, Act 176) 1929; 72P.S. 806.1.
- (2) All tax overpayments due this Bureau on behalf of a local taxing authority, including tax on real property, shall bear simple interest from the date of overpayment until the date of resolution.

**INTEREST ON OVERPAYMENTS - EXCEPTIONS:**

- (1) No interest is allowed if an overpayment is refunded or applied against any other tax, interest, or penalty due the Bureau on behalf of a local taxing authority within 75 days after the last date for filing a return or within 75 days after the report of liability due is filed.
- (2) Interest and penalty overpayments shall not bear any interest.
- (3) A taxpayer's acceptance of a refund check shall not prejudice the taxpayer's right to claim any additional overpayment, plus interest. Tender of a refund check by the Bureau shall be deemed to be acceptance of the check by the taxpayer.
- (4) Tax actually deducted and withheld at the source shall be deemed to have been overpaid on the last day for filing the report for the tax period, without regard to any extension of time for filing.
- (5) Estimated tax overpaid, shall be deemed to have been paid on the last day for filing for the tax period without regard for an extension.
- (6) Overpayment made before the prescribed due date shall be deemed to have been paid on the due date.
- (7) Any amount claimed to be overpaid with respect to an administrative review or appellate procedure being initiated, shall be deemed to have been overpaid 60 days following the date of initiation of the review or procedure.
- (8) Any amount shown not to be due on an amended earned income/net profits tax return, shall be deemed to have been overpaid 60 days after filing the amended return.
- (9) The date of resolution for overpayment refunds or credits is as follows:
  - (a) For a cash refund, a date preceding the date of the Bureau's refund check by not more than 30 days.
  - (b) For a credit of an overpayment, the date of the Bureau's notice to the taxpayer of the credit determination, or;
  - (c) The due date for payment of the tax against which the credit is applied, whichever occurs first.
  - (d) For a cash refund of a previously determined credit, interest shall be paid on the credit amount from a date 90 days after filing the request to convert the credit to a cash refund, to a date preceding the date of the refund check by not more than 30 days whether or not the refund check is accepted by the taxpayer after tender.

**BUREAU NOTICE OF BASIS OF UNDERPAYMENT:**

When the Bureau notifies a taxpayer in writing of the basis for an underpayment, the notice must contain:

- (1) Applicable tax periods.
- (2) Tax underpayment amount detailed by tax period.
- (3) The legal basis upon which the Bureau has relied to determine that an underpayment exists.
- (4) An itemization of revisions made to a return by the Bureau.

### **ABATEMENT OF INTEREST AND PENALTY:**

In the case of any underpayment, the local taxing authority or this Bureau may abate all or part of interest for the following:

- (1) Any underpayment or tax due attributed to error or delay by this Bureau, but only if no significant aspect of the error or delay can be attributed to the taxpayer, after notification to the taxpayer in writing.
- (2) Any payment of a tax due to error or delay attributed to a ministerial act of an officer, employee or agent of the local taxing authority or this Bureau, which shall determine what constitutes timely performance.

### **ABATEMENT DUE TO ERRONEOUS WRITTEN ADVICE BY BUREAU PERSONNEL.**

The Bureau shall abate any portion of any penalty or excess interest attributed to erroneous advice to the taxpayer in writing by an officer, employee or agent of the Bureau acting in any official capacity:

- (1) If the written advice was reasonably relied upon by the taxpayer, and
- (2) If any portion of interest, tax or penalty did not result from failure by taxpayer to provide adequate or accurate information.
- (3) The local taxing authority and this Bureau are not required to provide written advice to taxpayers.

### **VOLUNTARY PAYMENT APPLICATION PRIORITY REQUIRED AS FOLLOWS:**

- (1) Tax
- (2) Interest
- (3) Penalty
- (4) Any other fees or charges

### **INSTALLMENT AGREEMENTS:**

- (1) Are authorized, if the agreement will facilitate collection.
- (2) Agreements remain in effect for the full term.
- (3) Of course, the prepayment of tax is also permitted when an agreement has been made.
- (4) Bureau can terminate the agreement, if:
  - (a) Taxpayer provided inaccurate or incomplete data.
  - (b) Bureau believes collection of tax is in jeopardy.
  - (c) If taxpayer's financial condition significantly changes, the agreement may be modified, altered, or terminated if the notice of the Bureau's finding is provided at least 30 days prior to the date of action and notice contains the reasons.
  - (d) If taxpayer fails to pay any installment when due, or fails to pay any other tax when due, or provide a financial condition update as requested by the Bureau.

### **ADMINISTRATIVE APPEALS:**

The Bureau has established and provides for an administrative process to receive and produce a determination on petitions from taxpayers pertaining to the assessment, determination, or refund of an eligible tax. The Bureau's administrative process consists of the provision for a hearing and decision by a hearing officer who shall be the Bureau Administrator, or his authorized representative who is appointed by the Bureau's Board of Directors, who shall determine the qualifications and compensation of the hearing officer.

In the case of “an assessment and collection of underpayment of the Tax,” the Bureau’s provisions within Section 516 of the Bureau’s Rules and Regulations, shall be the applicable process to be utilized to resolve the appeal.

### **PETITIONS:**

Timely petition filing is determined by the postmark by the United States postal service on or before the deadline for filing a petition. Deadlines are as follows:

- (1) Refund petitions within 3 years after due date for filing the report as extended or 1 year after actual payment of tax, whichever is later.
- (2) Petitions for reassessment of an eligible tax shall be filed within 90 days of the assessment notice date, and the Bureau shall adopt regulations specifying the form and content of petitions, including the process and deadlines. These regulations shall not be governed by 2 PA.C.S. Chapter 5 subch. B (relating to judicial review of local agencies) as the Bureau has adopted regulations governing practice and procedure under Act 50 of 1998.

### **DECISIONS:**

Decisions on petitions submitted under Act 50 of 1998 shall be issued within 60 days of the date a complete petition is received. Failure to act within 60 days shall result in the petition being deemed approved.

### **APPEALS:**

Appeals of decisions by any person who has a direct interest in the decision may be filed with the court vested with jurisdiction of local tax appeals pursuant to 42 PA. C.S. (relating to judiciary and judicial procedure).

### **TAXPAYER RIGHTS IF YOU ARE AUDITED:**

Upon examining a taxpayer’s records at the Bureau, the applicable Bureau employee will:

- (1) Provide the taxpayer with a written explanation of this Bureau’s audit process as it relates to that taxpayer, and his or her rights during the audit process.
- (2) Prepare a written explanation of the assessment of any tax liability determined during the audit.
- (3) Explain the taxpayer’s right to appeal the assessment of any tax liability determined during the audit.
- (4) Conduct a post audit conference at which a Bureau employee or representative will explain the audit findings and make recommendations on how to correct areas of noncompliance.
- (5) Process the audit timely upon receipt of all the applicable information.

The Bureau may require a taxpayer to provide exact copies or certified copies of the person’s federal tax returns if the Bureau can demonstrate that the federal tax information is reasonably necessary and the information is not available elsewhere, or from the Pennsylvania Department of Revenue.

The taxpayer is solely responsible for obtaining the information and for any costs associated with obtaining the records or information.

### **WHAT THIS BUREAU MAY DO TO ENFORCE COLLECTION OF TAXES:**

If a taxpayer or business entity or employer has not filed a timely and properly completed tax return form and/or paid a tax liability determined to be due and the taxpayer has not filed a timely appeal of the liability, this Bureau may take the following actions:

- (1) This Bureau may contact a taxpayer or delinquent taxpayer and attempt to resolve the liability through payment in full, payment plan, or compromises. This Bureau may utilize outside legal counsel to assist in collecting taxes deemed to be delinquent.
- (2) If a taxpayer owes delinquent taxes or has not filed a properly completed tax return form, this Bureau may deny the issuance of any applicable license for any tax this Bureau collects on behalf of a taxing authority.

- (3) The Bureau may file a civil lawsuit against the person responsible for filing the tax return form and/or for payment of the tax or delinquent tax, employer withholding, etc., and obtain a judgment which would be the basis of a levy to seize the property of the taxpayer.
- (4) The Bureau may file a criminal complaint or action against a taxpayer, or employer, business owner, etc., when a properly prepared tax return form has not been received by this Bureau.
- (5) The Bureau may also investigate and assess and advance through the Courts of Common Pleas actions against delinquent taxpayers violating criminal statutes and governing legislation.
- (6) The Bureau may also prepare and issue a wage attachment to employers of a taxpayer when a taxpayer does not remit to this Bureau timely payment of tax due this Bureau on behalf of a member taxing authority.

## APPENDIX B

### SCHEDULE OF COSTS TO PROVIDE NOTICES OF DELINQUENCY OR TO COLLECT DELINQUENT TAXES

---

#### I. Individual Earned Income Tax

##### A. Non-filing individual taxpayer delinquency notices:

1. First delinquent notice (each notice)	\$ 10.00 *
2. Second delinquent notice (each notice)	\$ 20.00 *
3. Preparation of Criminal Complaint	\$ 25.00 *
4. Preparation of re-filing Criminal Complaint due to non-compliance	\$ 25.00 *
<i>(* \$ 55.00 cumulative criminal complaint restitution.)</i>	

##### B. Unpaid individual earned income tax:

1. First non-payment notice (each notice)	\$ 10.00 *
2. Second non-payment notice (each notice)	\$ 20.00 *
3. Payment schedule fee (up to six months):	\$ 30.00
(six to twelve months):	\$ 40.00
(longer than twelve months):	\$ 50.00
4. Wage Garnishment	\$ 50.00 *
<i>(* \$ 80.00 cumulative garnishment fee.)</i>	
5. Action to undertake suit or other appropriate remedy	Actual costs incurred plus \$75.00 preparation fee
6. Entering Judgment at the Office of Prothonotary	Actual costs incurred plus \$75.00 preparation fee
7. Satisfaction of Judgment	Actual costs incurred plus \$25.00 preparation fee

C. Non-compliance with required quarterly individual tax payments:	\$ 5.00 per quarter
	\$ 20.00 per year

D. Cost to provide copies of filed tax returns, W-2's or other documents to taxpayers (per tax year):	\$ 5.00
----------------------------------------------------------------------------------------------------------	---------

#### II. Employer Accounts

##### A. Non-filing tax return or support documentation: (applicable for each quarter)

1. First delinquent notice (each notice)	\$ 10.00 *
2. Second delinquent notice (each notice)	\$ 20.00 *
3. Preparation of Criminal Complaint	\$ 25.00 *
4. Preparation of re-filing Criminal Complaint due to non-compliance	\$ 25.00 *
<i>(* \$ 55.00 cumulative criminal complaint restitution.)</i>	

B. Unpaid employer's remittance of employee's tax:  
(applicable for each quarter)

1. First non-payment notice (each notice)	\$ 10.00 *
2. Second non-payment notice (each notice)	\$ 20.00 *
3. Payment schedule fee (up to six months):	\$ 30.00
(six to twelve months):	\$ 40.00
(longer than twelve months):	\$ 50.00
4. Preparation of Criminal Complaint	\$ 25.00 *
5. Preparation of re-filing Criminal Complaint due to non-compliance	\$ 25.00 *
(* \$ 55.00 cumulative criminal complaint restitution.)	
6. Action to undertake suit or other appropriate remedy	Actual costs incurred plus \$75.00 preparation fee
7. Entering Judgment at the Office of the Prothonotary	Actual costs incurred plus \$75.00 preparation fee
8. Satisfaction of Judgment	Actual costs incurred plus \$25.00 preparation fee

**III. Other Tax Collection Services**

*Local Services Tax; Delinquent Per Capita Tax, Mercantile/Business Privilege Tax  
(as applicable for year or designated tax period)*

A. Non-filing of return or support documentation delinquency notice:

1. First delinquent notice (each notice)	\$ 10.00 *
2. Second delinquent notice (each notice)	\$ 20.00 *
3. Preparation of Criminal Complaint	\$ 25.00 *
4. Preparation of re-filing Criminal Complaint due to non-compliance	\$ 25.00 *
(* \$ 55.00 cumulative criminal complaint restitution.)	

B. Unpaid taxes:

1. First non-payment notice (each notice)	\$ 10.00 *
2. Second non-payment notice (each notice)	\$ 20.00 *
3. Payment schedule fee (up to six months):	\$ 30.00
(six to twelve months):	\$ 40.00
(longer than twelve months):	\$ 50.00
4. Wage Attachment	\$ 50.00 *
(* \$ 80.00 cumulative garnishment fee.)	
5. Action to undertake suit or other appropriate remedy	Actual costs incurred plus \$75.00 preparation fee
6. Entering Judgment at the Office of Prothonotary	Actual costs incurred plus \$75.00 preparation fee
7. Satisfaction of Judgment	Actual costs incurred plus \$25.00 preparation fee

**IV. Other Fees:** Bad Check/ACH/Returned Item Fee \$ 35.00

## APPENDIX C

---

### **PETITION FOR ADMINISTRATIVE APPEAL**

The Adams County and York County Tax Collection Committees have established an administrative process to receive and produce a determination on petitions from taxpayers pertaining to the assessment, determination or refund of Earned Income Tax. This administrative process consists of the provision for a hearing and decision by a Tax Appeals Board appointed separately by each of the Tax Collection Committees.

Appeals relating to other eligible taxes may be heard by the Appeal Hearing Office appointed by the resident municipality of the taxpayer, employer or business.

Deadlines for filing of a timely petition are as follows (when received by mail, the date of the filing is determined by the United States Postal Service, or other mail service, postmark):

1. Refund petitions must be filed within three (3) years after the due date for filing the tax returns as extended, or one (1) year after the actual payment of the tax, whichever is later.
2. Petitions for reassessment of an eligible tax shall be filed within ninety (90) days of the date of the assessment. The form and content of the petition shall be in conformity with the Bureau's adopted regulations specifying the form and content of petitions, including the process and deadlines. These regulations shall not be governed by 2 Pa. C.S Chapter 5, subchapter B (relating to judicial review of local agencies), since the Bureau has adopted regulations governing practice and procedure under PA Act 50, approved May 5, 1998.
3. Mail or present this Administrative Appeal Petition form, when completed, to the address on this letterhead c/o the Bureau Executive Director.

A mutually agreeable time and date shall be scheduled during normal Bureau office hours for the purpose of conducting a hearing at the Bureau office.



York Office  
 1405 N. Duke St.  
 PO Box 15627  
 York, PA 17405-0156  
 Phone (717) 845-1584  
 Fax (717) 854-6376  
<http://www.yatb.com>

Gettysburg Office  
 240 West Street  
 Gettysburg, PA 17325  
 Phone (717) 334-4000  
 Fax (717) 337-2565  
 email: [info@yatb.com](mailto:info@yatb.com)

**PETITION FOR ADMINISTRATIVE APPEAL**

INSTRUCTIONS: This form is to be used by the taxpayer to appeal an assessment of eligible tax (other than real property taxes) levied by the taxing authority of \_\_\_\_\_ AND/OR to appeal a denial of a claim for refund of taxes previously paid. Please type or print legibly. Attach a copy of the Notice of Assessment being appealed, or if seeking a refund, proof that such tax was paid. Mail or deliver the Petition to: **Executive Director, York Adams Tax Bureau, 1405 North Duke Street, PO Box 15627, York, PA, 17405.** For additional information call (717) 845-1584.

**Petitions appealing a Notice of Assessment must be received by the York Adams Tax Bureau within ninety (90) days of the date of the Notice of Assessment.** Petitions for refunds must be received by the Bureau no later than: (a) three years of the due date for filing the tax return; or (b) one year after the actual payment of the tax. Petitions filed by mail will be considered filed as of the postmark date. Answer all questions below as fully as possible. If an item is not applicable, enter "N/A".

**SECTION A: TAXPAYER INFORMATION**

Last Name	First Name	Middle Initial
Street Address		
City	State	Zip Code
Phone Number	Email Address	
Previous Street Address (if applicable)		
Social Security Number	Taxpayer Identification Number (Account Number)	

**SECTION B: TAX INFORMATION:**

\_\_\_\_\_  
Type of Tax

\_\_\_\_\_  
Is this Petition for a Refund? If so, in what amount?

\_\_\_\_\_  
Tax Year(s): Quarter(s):

\_\_\_\_\_  
Date of Notice of Assessment:

**SECTION C: TAX REPRESENTATIVE INFORMATION**  
COMPLETE INFORMATION FOR REPRESENTATIVE (if applicable)

I hereby nominate the following as my representative:

\_\_\_\_\_  
Last Name First Name Middle Initial

Is Representative an:  Attorney  Certified Public Accountant  
 Other Accountant  Other Tax Advisor

Business Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

\_\_\_\_\_  
City State Zip Code

I would like copies of all correspondence sent to my representative.

**SECTION D: HEARING REQUEST**

- Hearing Requested. (Check if Taxpayer desires a hearing in person.)
- Hearing is **NOT** Requested. The Decision in this matter will be based on the information contained in this Petition and on the Record provided by the taxing authority and the York Adams Tax Bureau. No hearing will be scheduled. (If choice is not indicated, hearing will be conducted based on the Petition and Record without a hearing in person.)

**SECTION E: RELIEF REQUESTED & ARGUMENTS**

Explain the relief requested:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Explain in detail why the relief requested above should be granted. Attach additional pages if necessary. Enclose copies of any documents you feel will support your arguments. Petitions for refund must be accompanied by proof of payment of the tax.

---

---

---

---

**SECTION E: SIGNATURE**

All Petitions must be signed by the Petitioner or Authorized Representative. If signed by an Authorized Representative, written authorization for the representative to sign on the Petitioner’s behalf must be accompanied by the Petition.

Under penalties prescribed by the law, I hereby certify that this petition has been examined by me and that to the best of my knowledge, information, and belief, the facts contained in the Petition are true and correct and this Petition is not filed for purposes of delay.

Signature:

\_\_\_\_\_  
(Taxpayer or Authorized Representative)

Print Name:

\_\_\_\_\_

Dated:

\_\_\_\_\_

**APPENDIX D**  
**MEMBER PSD CODES AND TAX RATES**

***PLEASE NOTE: Employers must withhold the HIGHER of the employee's resident tax rate or their non-resident rate. Non-resident tax will only apply to individuals who do not pay the earned income tax where they reside (i.e. - they are out-of-state residents (except Maryland) or they live in a PA municipality that does not levy the earned income tax.)***

**MARYLAND RESIDENTS ARE EXEMPT FROM EARNED INCOME TAX IF THEY WORK IN YORK OR ADAMS COUNTIES.**

<b>PSD CODE</b>	<b>TAXING AUTHORITY</b>	<b>RESIDENT EIT RATE</b>	<b>NON-RES EIT RATE</b>
<b>0101</b>	<b>BERMUDIAN SPRINGS SCHOOL DISTRICT - ADAMS CO.</b>		
010101	EAST BERLIN BOROUGH - ADAMS CO.	1.7%	1.0%
010102	HAMILTON TOWNSHIP (BERMUDIAN SD) - ADAMS CO.	1.7%	1.0%
010103	HUNTINGTON TOWNSHIP - ADAMS CO.	1.7%	1.0%
010104	LATIMORE TOWNSHIP - ADAMS CO.	1.7%	0.0%
010105	READING TOWNSHIP - ADAMS CO.	1.7%	1.0%
010106	YORK SPRINGS BOROUGH - ADAMS CO.	1.7%	1.0%
<b>0102</b>	<b>CONEWAGO VALLEY SCHOOL DISTRICT - ADAMS CO.</b>		
010201	ABBOTTSTOWN BOROUGH - ADAMS CO.	1.5%	1.0%
010202	BERWICK TOWNSHIP - ADAMS CO.	1.5%	1.0%
010203	BONNEAUVILLE BOROUGH (CONEWAGO SD) - ADAMS CO.	1.5%	1.0%
010204	CONEWAGO TOWNSHIP - ADAMS CO.	1.5%	1.0%
010205	HAMILTON TOWNSHIP (CONEWAGO SD) - ADAMS CO.	1.5%	1.0%
010206	MCSHERRYSTOWN BOROUGH - ADAMS CO.	1.5%	1.0%
010207	MT PLEASANT TOWNSHIP (CONEWAGO SD) - ADAMS CO.	1.5%	1.0%
010208	NEW OXFORD BOROUGH - ADAMS CO.	1.5%	1.0%
010209	OXFORD TOWNSHIP - ADAMS CO.	1.5%	1.0%
010210	STRABAN TOWNSHIP (CONEWAGO SD) - ADAMS CO.	1.5%	1.0%
010211	TYRONE TOWNSHIP (CONEWAGO SD) - ADAMS CO.	1.5%	1.0%
<b>0103</b>	<b>FAIRFIELD AREA SCHOOL DISTRICT - ADAMS CO.</b>		
010301	CARROLL VALLEY BOROUGH - ADAMS CO.	1.5%	0.5%
010302	FAIRFIELD BOROUGH - ADAMS CO.	1.5%	1.0%
010303	HAMILTONBAN TOWNSHIP - ADAMS CO.	1.5%	1.0%
010304	LIBERTY TOWNSHIP - ADAMS CO.	1.5%	1.0%
<b>0104</b>	<b>GETTYSBURG AREA SCHOOL DISTRICT - ADAMS CO.</b>		
010401	CUMBERLAND TOWNSHIP - ADAMS CO.	1.7%	1.0%
010402	FRANKLIN TOWNSHIP - ADAMS CO.	1.7%	1.0%

010403	FREEDOM TOWNSHIP - ADAMS CO.	1.7%	1.0%
010404	GETTYSBURG BOROUGH - ADAMS CO.	1.7%	1.0%
010405	HIGHLAND TOWNSHIP - ADAMS CO.	1.7%	1.0%
010406	MT JOY TOWNSHIP (GETTYSBURG SD)- ADAMS CO.	1.7%	1.0%
010407	STRABAN TOWNSHIP (GETTYSBURG SD) - ADAMS CO.	1.7%	1.0%
<b>0105</b>	<b>LITTLESTOWN AREA SCHOOL DISTRICT - ADAMS CO.</b>		
010501	BONNEAUVILLE BOROUGH (LITTLESTOWN SD) - ADAMS CO.	1.6%	1.0%
010502	GERMANY TOWNSHIP - ADAMS CO.	1.6%	1.0%
010503	LITTLESTOWN BOROUGH - ADAMS CO.	1.6%	1.0%
010504	MT JOY TOWNSHIP (LITTLESTOWN SD)- ADAMS CO.	1.6%	1.0%
010505	MT PLEASANT TOWNSHIP (LITTLESTOWN SD) - ADAMS CO.	1.6%	1.0%
010506	UNION TOWNSHIP - ADAMS CO.	1.6%	1.0%
<b>0106</b>	<b>UPPER ADAMS SCHOOL DISTRICT - ADAMS CO.</b>		
010601	ARENDSVILLE BOROUGH - ADAMS CO.	1.6%	1.0%
010602	BENDERSVILLE BOROUGH - ADAMS CO.	1.6%	1.0%
010603	BIGLERVILLE BOROUGH - ADAMS CO.	1.6%	1.0%
010604	BUTLER TOWNSHIP - ADAMS CO.	1.6%	1.0%
010605	MENALLEN TOWNSHIP - ADAMS CO.	1.6%	1.0%
010606	TYRONE TOWNSHIP (UPPER ADAMS SD) - ADAMS CO.	1.6%	1.0%
<b>6701</b>	<b>CENTRAL YORK SCHOOL DISTRICT - YORK CO.</b>		
670101	MANCHESTER TOWNSHIP - YORK CO.	1.0%	1.0%
670102	NORTH YORK BOROUGH - YORK CO.	1.0%	1.0%
670103	SPRINGETTSBURY TOWNSHIP (CENTRAL SD) - YORK CO.	1.0%	1.0%
<b>6702</b>	<b>DALLASTOWN AREA SCHOOL DISTRICT - YORK CO.</b>		
670201	DALLASTOWN BOROUGH - YORK CO.	1.0%	1.0%
670202	JACOBUS BOROUGH - YORK CO.	1.0%	1.0%
670203	LOGANVILLE BOROUGH - YORK CO.	1.0%	1.0%
670204	SPRINGFIELD TOWNSHIP - YORK CO.	1.0%	1.0%
670205	YOE BOROUGH - YORK CO.	1.0%	1.0%
670206	YORK TOWNSHIP - YORK CO.	1.0%	1.0%
<b>6703</b>	<b>DOVER AREA SCHOOL DISTRICT - YORK CO.</b>		
670301	DOVER BOROUGH - YORK CO.	1.4%	1.0%
670302	DOVER TOWNSHIP - YORK CO.	1.4%	1.0%
<b>6704</b>	<b>EASTERN YORK SCHOOL DISTRICT - YORK CO.</b>		
670401	EAST PROSPECT BOROUGH - YORK CO.	1.0%	1.0%
670402	HALLAM BOROUGH - YORK CO.	1.0%	1.0%
670403	HELLAM TOWNSHIP - YORK CO.	1.0%	1.0%

670404	LOWER WINDSOR TOWNSHIP - YORK CO.	1.0%	1.0%
670405	WRIGHTSVILLE BOROUGH - YORK CO.	1.0%	1.0%
670406	YORKANA BOROUGH - YORK CO.	1.0%	1.0%
<b>6705</b>	<b>HANOVER PUBLIC SCHOOL DISTRICT - YORK CO.</b>		
670501	HANOVER BOROUGH - YORK CO.	1.0%	1.0%
<b>6707</b>	<b>NORTHERN YORK SCHOOL DISTRICT - YORK CO.</b>		
670701	CARROLL TOWNSHIP - YORK CO.	1.25%	1.0%
670702	DILLSBURG BOROUGH - YORK CO.	1.25%	1.0%
670703	FRANKLIN TOWNSHIP - YORK CO.	1.25%	1.0%
670704	FRANKLINTOWN BOROUGH - YORK CO.	1.25%	1.0%
670705	MONAGHAN TOWNSHIP - YORK CO.	1.25%	1.0%
670706	WARRINGTON TOWNSHIP - YORK CO.	1.25%	1.0%
670707	WELLSVILLE BOROUGH - YORK CO.	1.25%	1.0%
670708	WASHINGTON TOWNSHIP - YORK CO.	1.25%	1.0%
<b>6706</b>	<b>NORTHEASTERN SCHOOL DISTRICT - YORK CO.</b>		
670601	CONEWAGO TOWNSHIP - YORK CO.	1.0%	1.0%
670602	EAST MANCHESTER TOWNSHIP - YORK CO.	1.0%	1.0%
670603	MANCHESTER BOROUGH - YORK CO.	1.0%	1.0%
670604	MT WOLF BOROUGH - YORK CO.	1.0%	1.0%
670605	NEWBERRY TOWNSHIP	1.0%	1.0%
670606	YORK HAVEN BOROUGH - YORK CO.	1.0%	1.0%
<b>6708</b>	<b>RED LION AREA SCHOOL DISTRICT - YORK CO.</b>		
670801	CHANCEFORD TOWNSHIP - YORK CO.	1.0%	1.0%
670802	FELTON BOROUGH - YORK CO.	1.0%	1.0%
670803	LOWER CHANCEFORD TOWNSHIP - YORK CO.	1.0%	1.0%
670804	NORTH HOPEWELL TOWNSHIP - YORK CO.	1.0%	1.0%
670805	RED LION BOROUGH - YORK CO.	1.0%	1.0%
670806	WINDSOR BOROUGH - YORK CO.	1.0%	1.0%
670807	WINDSOR TOWNSHIP - YORK CO.	1.0%	1.0%
670808	WINTERSTOWN BOROUGH - YORK CO.	1.0%	1.0%
<b>6709</b>	<b>SOUTH EASTERN SCHOOL DISTRICT - YORK CO.</b>		
670901	CROSS ROADS BOROUGH - YORK CO.	1.0%	1.0%
670902	DELTA BOROUGH - YORK CO.	1.0%	1.0%
670903	EAST HOPEWELL TOWNSHIP - YORK CO.	1.0%	1.0%
670904	FAWN GROVE BOROUGH - YORK CO.	1.0%	1.0%
670905	FAWN TOWNSHIP - YORK CO.	1.0%	1.0%
670906	HOPEWELL TOWNSHIP - YORK CO.	1.0%	1.0%
670907	PEACH BOTTOM TOWNSHIP - YORK CO.	1.0%	1.0%

670908	STEWARTSTOWN BOROUGH - YORK CO.	1.0%	1.0%
<b>6710</b>	<b>SOUTH WESTERN SCHOOL DISTRICT - YORK CO.</b>		
671001	MANHEIM TOWNSHIP - YORK CO.	1.0%	1.0%
671002	PENN TOWNSHIP - YORK CO.	1.0%	1.0%
671003	WEST MANHEIM TOWNSHIP - YORK CO.	1.0%	1.0%
<b>6711</b>	<b>SOUTHERN YORK CO. SCHOOL DISTRICT - YORK CO.</b>		
671101	CODORUS TOWNSHIP - YORK CO.	1.3%	1.0%
671102	GLEN ROCK BOROUGH - YORK CO.	1.3%	1.0%
671103	NEW FREEDOM BOROUGH - YORK CO.	1.3%	1.0%
671104	RAILROAD BOROUGH - YORK CO.	1.3%	1.0%
671105	SHREWSBURY BOROUGH - YORK CO.	1.3%	1.0%
671106	SHREWSBURY TOWNSHIP - YORK CO.	1.3%	1.0%
<b>6712</b>	<b>SPRING GROVE AREA SCHOOL DISTRICT - YORK CO.</b>		
671201	HEIDELBERG TOWNSHIP - YORK CO.	1.0%	1.0%
671202	JACKSON TOWNSHIP - YORK CO.	1.0%	1.0%
671203	JEFFERSON BOROUGH - YORK CO.	1.0%	1.0%
671204	NEW SALEM BOROUGH - YORK CO.	1.0%	1.0%
671205	NORTH CODORUS TOWNSHIP - YORK CO.	1.0%	1.0%
671206	PARADISE TOWNSHIP - YORK CO.	1.0%	1.0%
671207	SEVEN VALLEYS BOROUGH - YORK CO.	1.0%	1.0%
671208	SPRING GROVE BOROUGH - YORK CO.	1.0%	1.0%
<b>6713</b>	<b>WEST YORK AREA SCHOOL DISTRICT - YORK CO.</b>		
671301	WEST MANCHESTER TOWNSHIP - YORK CO.	1.0%	1.0%
671302	WEST YORK BOROUGH - YORK CO.	1.0%	1.0%
<b>6714</b>	<b>SCHOOL DISTRICT OF THE CITY OF YORK - YORK CO.</b>		
671401	YORK CITY - YORK CO.	1.25%	1.25%
<b>6715</b>	<b>YORK SUBURBAN SCHOOL DISTRICT - YORK CO.</b>		
671501	SPRING GARDEN TOWNSHIP - YORK CO.	1.0%	1.0%
671502	SPRINGGETTSBURY TOWNSHIP (YORK SUBURBAN SD) - YORK CO.	1.0%	1.0%