

USE OF COMMONWEALTH INCOME TAX INFORMATION

All amounts reported on your local wage tax forms are subject to verification and audit by this Tax Office. The tax office exchanges information with the Commonwealth of Pennsylvania to verify the accuracy of information reported on your local wage tax return.

ADDITIONAL INFORMATION AND INSTRUCTIONS FOR FILING LOCAL INCOME TAX RETURNS

1. Every resident is required to file a return and to pay tax of 1% on earned income. Also every non-resident earning income within the municipality is subject to 1% tax.
2. Your place of residence on December 31st of each year determines the tax office to which your remittance must be made.
3. Social Security, pensions, interest, dividends, annuities, and capital gains from sale or exchange of property are not taxable. Income from rental property is taxable only when it is a main source of income, which is subject to Federal Social Security Tax.
4. If your income is entirely from W-2 wages and your employer has already deducted the full amount of taxes, *PLEASE* attach your Withholding Statements to the Return and write in Column A "No Other Income," sign the Return and mail it to the Receiver of Taxes.
5. **OFFSETTING BUSINESS LOSS AGAINST EARNINGS** – Pursuant to A Act 32, business losses cannot be used to offset income from salaries, wages and other compensation (W-2 Earnings). This is NEW for 2009 and forward. Also, pursuant to PA Act 32, a net loss from one business can be used to offset net profits from another business. Example, a loss from a business may be used to offset the gain from the second business, but the net loss from the combined businesses cannot be used to offset earned income.
6. **IF YOU HAD NO TAXABLE INCOME, PLEASE WRITE: "NOTHING TO REPORT"** and fill in the box in the upper left hand corner of form.
7. **VIOLATION OF TAX ORDINANCE OR RESOLUTION IS SUBJECT TO A FINE OF NOT LESS THAN \$25.00 NOR MORE THAN \$500.00 OR TO UNDERGO IMPRISONMENT FOR NOT MORE THAN SIXTY DAYS FOR THE NON PAYMENT OF TAX AND SUCH FINE OR PENALTY AND COSTS WITHIN TEN DAYS FROM THE IMPOSITION THEREOF.**
8. Not receiving a Return Form by mail shall not excuse the failure to file a Return or pay tax due.
9. If you were self-employed at any time during the year ALL profit and loss schedules filed with the federal government must be attached to this return.
10. Any allowable deductions which are not substantiated by the proper schedules **WILL BE SYSTEMATICALLY DENIED WITHOUT NOTICE.**
11. If the tax is not paid when due, the interest of 6% per year and the penalty in the amount of 6% will be charged in addition to unpaid tax.
12. If a receipt is desired, please attach a self-addressed stamped envelope.
13. Amounts due less than \$1.00 need not be remitted and overpayments of less than \$1.00 will not be refunded.
14. If you worked in the City of Erie and your employer withheld more than 1% local tax from your wages – you will not receive a refund of any amount over 1%. The City of Erie has instituted a Distressed City tax on all employees within the city limits. This tax will stay in the City of Erie and can not be refunded.

MAKE CHECKS PAYABLE TO: JUNE T. SHELHAMER, Receiver of Taxes

NSF CHECK RETURNED

There will be a \$35 bookkeeping charge for checks returned from the bank marked "NOT SUFFICIENT FUNDS."