

**EARNED INCOME TAX INFORMATION FOR RESIDENTS OF THE
PENN-TRAFFORD SCHOOL DISTRICT**

As you may know, school districts in Pennsylvania have tax revenue sources other than real estate taxes from which they may obtain funds to support schools and education. Authority for levying these additional taxes was granted to local school districts and municipalities by the Pennsylvania General Assembly in 1965 through passage of the Local Tax Enabling Act (LTEA). The earned income tax or "wage tax" is usually a tax of one percent (1%) on gross wages and/or net profits from a business or profession. Penn-Trafford School District earned income tax is one-half of one percent (.5%). The municipalities comprising the School district levy an earned income tax at the rate of one-half of one percent (.5%). The combined total tax rate is one percent (1%).

Berkheimer Tax Administrator (HAB) is the appointed earned income tax officer for the Westmoreland County and the Penn-Trafford School District and its municipalities Manor Borough, Penn Borough, Trafford Borough and Penn Township. As the appointed earned income tax collector, HAB is charged with the duty of administering the school district's and/or municipality's taxes. This includes collecting the tax, establishing rules and regulations, and creating accurate tax records and accounts for each taxpayer.

Below is an Earned Income Tax Registration Form. A completed Registration Form will fulfill your registration requirements under the earned income tax rules and regulations adopted by the Penn-Trafford School District. More importantly, this information will ensure that your tax dollars are sent to your home taxing jurisdiction. All residents should complete this form, regardless of employment status (unemployed, retired, college student, military personnel, or homemaker). If you have recently moved, please give your current and former address.

Most resident taxpayers will have this tax deducted by their employers. However, if you work in the jurisdiction where it is NOT WITHHELD, or you are self-employed, you will have to PAY THE TAX DIRECTLY TO HAB through quarterly installments. Your completed registration form will be forwarded to HAB, who will create an accurate tax account reflecting your correct reporting status and send you the necessary tax forms.

**PENN-TRAFFORD SCHOOL DISTRICT
Earned Income Tax Registration Form**

Student Name _____ School Name _____
Your Name _____ Your Social Security No. _____
Spouse's Name _____ Spouse's Social Security No. _____
Address _____ City _____ State _____ Zip _____

Resident Municipality (Township or Borough in which you reside) CIRCLE ONE:

Manor Borough Penn Borough Penn Township Trafford Borough

Date you moved to the above address ___/___/__. Did you move here from another Pennsylvania location? ___Yes ___No
If yes, please list the previous address and resident school district _____.

Working Jurisdiction (Twp/Boro/City) _____ Spouse's Working Jurisdiction (Twp/Boro/City) _____

Is Earned Income Tax withheld from: Your Pay? _____ From Spouse's Pay? _____

Are you self-employed? _____ Is spouse self employed? _____ If you have no earned income, please circle the reason why: retired/ homemaker/ temporarily unemployed/ disabled/ student/ minor (please state age) _____/ other (please specify) _____.

Your Signature _____ Spouse's Signature _____

SEE REVERSE⇒

QUESTIONS AND ANSWERS ABOUT THE EARNED INCOME TAX

WHAT IS THE EARNED INCOME TAX?

The earned income tax, commonly called a “wage tax,” is usually a tax of one percent (1%) on gross wages and/or net profits from a business or profession. Typically, individuals who receive “earned income, “ including salaries, wages, commissions, bonuses, incentive payments, fees, tips, and/or other compensation for services rendered, whether in cash or property, are subject to the tax. In addition, those who conduct businesses, professions and other activities for profit MUST pay tax on the net profit derived from their operation after deductions have been made of all costs and expenses incurred in conducting said businesses.

WHAT INCOME IS SPECIFICALLY EXEMPT FROM THE EARNED INCOME TAX?

Unearned income such as dividends, interest, income from trusts, bonds, insurance and stocks are exempt. Also exempt are payments for sick or disability benefits, old age benefits, retirement pay, pensions (including social security payments), public assistance or unemployment compensation payments made by any governmental agency and any wages or compensation paid by the United States for active service in the armed forces of the United States including bonuses or additional compensation for such service. In addition net profits of corporations are exempt under state law.

IF THE TAX IS WITHHELD IN ANOTHER COMMUNITY WHERE I WORK, DO I ALSO PAY THE DISTRICT IN WHICH I LIVE?

No, the tax withheld by your employer will be remitted to your resident taxing jurisdiction. However, any balance of tax due must be paid at the time of filing your Final Return. It is still required that ALL residents answer our Registration Form.

WHOSE EARNED INCOME TAX WILL BE WITHHELD BY THEIR EMPLOYER?

Any individual working for an employer, which maintains a work location in the Commonwealth of Pennsylvania.

FROM WHOM WILL THE EARNED INCOME TAX BE COLLECTED DIRECTLY?

The earned income tax will be collected directly from those who are: 1) self-employed, 2) Employed by an employer outside the Commonwealth of Pennsylvania. Those persons must file a declaration of the total of such estimated net profits or income, together with the total estimated tax due, with the earned income tax collector. Proper forms for reporting the quarterly payments will be sent to each person so liable.

MUST ALL TAXPAYERS FILE A FINAL RETURN?

Yes.

WHAT HAPPENS IF I NEITHER FILE A RETURN NOR PAY THE TAX DUE?

State law, as well as the local tax resolutions and/or ordinances, make it a summary criminal offense if a taxpayer fails to file a tax return as required, and subjects the taxpayer to a fine not to exceed \$500.00 per offense, plus the cost of prosecution. In default of payment of said fine and cost, the taxpayer may be imprisoned for a period not exceeding thirty (30) days per offense. In addition, distress sale, wage attachment and/or civil suit proceeding may be used to collect any unpaid tax found to be due.