

CUMBERLAND COUNTY TAX BUREAU

Guidelines for Taxpayer Installment Payment Plans

Effective: January 1, 2012

Background. The Cumberland County Tax Bureau (“**Bureau**”) collects local income tax and local services tax throughout the Cumberland County Tax Collection District (“**TCD**”). Such income tax and local services tax is referred to in these Guidelines as the “**Tax.**” The Bureau wishes to provide individuals, entities, and employers required to pay or withhold Tax (“**Taxpayers**”) with a one-time opportunity to pay any outstanding Tax and any penalties, interest, and collection costs in installments pursuant to the Guidelines set forth below.

Guidelines.

A. **Determination.** The Executive Director of the Bureau will have the sole discretion to determine whether the Bureau will enter into an installment payment plan with a Taxpayer. The Executive Director is under no obligation to cause the Bureau to enter into an installment payment plan with a Taxpayer, even if the Taxpayer meets the minimum requirements set forth below.

B. **Minimum Requirements.** To be eligible for an installment payment plan, a Taxpayer must meet the following requirements:

1. The Taxpayer must file annual local tax returns with the Bureau for all Tax years (or any portion of a Tax year) for which liability will be paid under an installment payment plan with the Bureau. In filing such tax returns, the Taxpayer must include a copy of either the Taxpayer’s most recent Federal Tax Return or most recent Pennsylvania Personal Income Tax Return.

2. The Taxpayer must verify that its current year Tax liability has been satisfied up to the date the Taxpayer enters into an installment payment plan with the Bureau.

3. The Taxpayer must owe more than \$100.

4. If a Taxpayer has previously entered into an installment payment plan with the Bureau, the Taxpayer is not eligible for any further installment payment plans.

C. **Installment Payment Plan Terms.** All installment payment plans that the Bureau enters into with a Taxpayer will include the following terms:

1. Installment payment plans will be for a term of 4 months unless the Taxpayer requests a longer term in writing. If the Executive Director elects to allow a longer term for an installment payment plan, the Taxpayer will be charged a \$15.00 handling fee for each payment made after the initial 4 month term of the plan. In no event will an installment payment plan be for a term longer than 9 months.

2. Payments under installment plans will be calculated by taking the outstanding liability for Tax, dividing this liability by the number of months that will elapse during the term of the plan, and adding the applicable penalties, interests, and collection costs to each such payment.

D. **Termination and Modification.** The Bureau may terminate or modify an installment payment plan with any Taxpayer if any of the following occur: (1) Any information provided by the Taxpayer to the Bureau is, in the Executive Director's opinion, false, misleading, inaccurate, or incomplete. (2) The Executive Director believes that the prospect of the Bureau collecting Tax or other liability under the installment payment plan is in jeopardy. (3) The Taxpayer refuses to provide the Bureau with an update regarding the Taxpayer's financial condition in response to a Bureau request for such update. (4) The Taxpayer fails to make a payment (whether in whole or in part) when the payment is due under the installment payment plan or fails to make payment of any other tax liability when due. (5) The Executive Director concludes that there has been a material adverse change to the Taxpayer's financial condition. Termination under the preceding sentence may only occur if the Bureau provides the Taxpayer 30 days written notice specifying why the Executive Director believes there has been a material adverse change to the Taxpayer's financial condition.

E. **Pre-Payment.** Nothing in these Guidelines shall interfere with a Taxpayer's ability to pay Tax and other liabilities owed prior to the dates these liabilities are to be paid under an installment payment plan with the Bureau.