

WEST SHORE TAX BUREAU

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

**AMENDED LOCAL TAX ENABLING ACT
BASED ON ACT 32 of 2008**

ADOPTED: SEPTEMBER 16, 2009

PREAMBLE

INDEX

ARTICLE	SECTION	PAGE
608	Failure to Receive Forms	34
609	Return Completion - General	35-36
610	Who Must File	36
611	Registration of Taxpayers	36-37
612	Installment Plans for Delinquent Amounts	37
613	Suit for Collection of Delinquent Amounts	38
614	Wage Attachments	38-39

ARTICLE I CUSTOMER SERVICE AND TAXPAYER ASSISTANCE

SECTION 101 LOCAL TAXPAYER’S BILL OF RIGHTS

The West Shore Tax Bureau adopted the Local Taxpayer’s Bill of Rights (PA Act 50 of 1998) on October 21, 1998 with Resolution 98-2. 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 Remedies for Taxpayers.

w
uenta taeds. E

ARTICLE II GENERAL PROVISIONS

SECTION 201. DEFINITIONS

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:

“Official reg ster.” The part of the tax reg ster that includes withholding rates as provided in section 511(a) (3) of the
Local Tax Enabling Act.

“Overpayment.”

Normally it is not difficult to determine the domicile of a person because most of the determining factors point to one conclusion. Obviously, if a person has all of the foregoing factors occurring in one district, he or she is a resident of that district. Of more

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

- 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.

- u. Amounts received for permanent loss of body function, disfigurement, or reimbursed medical expense.
- v.

Type of Compensation

Taxable Description

Non-Taxable Description

Type of Compensation

Employee contributions to Nonqualifying Deferred Compensation Plans.

Distributions from eligible Pennsylvania Retirement Plans and Nonqualifying Deferred Compensation Plans. See **PA PIT Bulletin 2005-03**

Taxable Description

See **PA PIT Bulletin 2005-03**
DEFERRED COMPENSATION UNDER NONQUALIFIED PLANS.

See Table: Pennsylvania Taxation of Distributions from Eligible Pennsylvania Retirement Plans and Nonqualified Deferred Compensation Plans. established the general rule that distributions are **always** taxable, **unless** the contributions were previously taxed, and then use the cost recovery method.

Non-Taxable Description

See **PA PIT Bulletin 2005-03**
DEFERRED COMPENSATION UNDER NONQUALIFIED PLANS.

See Table: Pennsylvania Taxation of Distributions from Eligible Pennsylvania Retirement Plans and Nonqualified Deferred Compensation Plans.

F.

City A	\$50,000
Hampden Township	<u>\$25,000</u>
Total	\$75,000

- (b) Determine H's Hampden Township tax liability

Residents who pay taxes to “any foreign country” **SHALL NOT BE ELIGILBE FOR CREDITS** against the earned

- e. Subscriptions to publications;
- f. Campaign or political contributions;
- g. Charitable contributions;
- h. Commuting expenses;
- i.

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 Taxing District may voluntarily withhold the tax from employees who are residents of Taxing

business activity, it 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

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. Declahicion and payment.

Except as provided in subseccio5 A (2) above, taxpayers shall declahe 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 seccion 512 and the balance of tax due. All amounts reported shall be rounded to the nearest whole dollah. 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)

such other information as the department may require. Every taxpayer filing a return shall, at the time of filing the return, pay to

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

- A. The Tax Officer s charged with the administration and enforcement of the Ordinances and Resolutions and these Rules and Regulations, and s authorized to act on behalf of the West Shore Tax Bureau member municipalities and school

SECTION 605. REFUNDS AND CREDITS:

SECTION 609. RETURN COMPLETION - GENERAL:

A.

(2) Interest

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 West Shore 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 West Shore Tax Bureau.

SECTION 612. INSTALLMENT PLANS FOR DELINQUENT AMOUNTS:

The Tax Bureau must first assess into what the agreement will be made and pay delinquent which (the taxpayer) shall be allowed to pay in installments if the amount is not paid in full by the date of the assessment. The Tax Bureau may also require the taxpayer to provide collateral to secure the agreement. The following terms and conditions shall apply to the agreement:

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,

