

**EARNED INCOME TAX INFORMATION FOR
RESIDENTS OF THE ST. CLAIR AREA 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), commonly referred to as 'Act 511'. The Earned Income Tax or 'Wage Tax' is usually a tax of one percent (1%) on the gross wages and/or net profits from a business or profession.

Berkheimer Associates is the appointed earned income tax officer for the St. Clair Area School District and the municipalities which comprise the School District. As the appointed earned income tax collector, Berkheimer Associates is charged with the duty of administering the school district's, township's and/or borough's taxes. This includes collecting the tax, establishing rules and regulations to fairly enforce such tax and creating accurate tax records and accounts for each taxpayer.

Below is an Earned Income Tax Registration Form. A complete Registration Form will fulfill your registration requirements under the Earned Income Tax rules and regulations adopted by the St. Clair Area School District and your resident municipality. 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. Although, if you work in a jurisdiction where it is not withheld, or you are self-employed, you will have to pay the tax directly to Berkheimer Associates. Your completed registration form will be forwarded to Berkheimer Associates, who will create an accurate tax account reflecting your correct reporting status and send you the necessary tax forms.

We appreciate your cooperation in completing the registration form. Kindly refer to the back of the letter for general questions and answers about the earned income tax. If you have any additional questions, you may contact Berkheimer Associates at 610-688-0965, extension 2, or in person at your local Berkheimer Office.

**St. Clair Area School District
Earned Income Tax Registration Form**

Your Name _____ Your Social Security No. _____

Spouse's Name _____ Spouse's Social Security No. _____

Address _____

City _____ State _____ Zip Code _____

Resident Municipality (Township or Borough in which you reside) - circle one:

Blythe Twp Middleport Boro New Phila Boro E Norwegian Twp New Castle Twp St Clair Boro

Date you moved to above address _____

Did you move here from another Pennsylvania location? Yes _____ No _____

If yes, please list previous address and resident school district _____

Your Employer _____ Spouse's Employer _____

Working Jurisdiction (Twp/Boro/City) _____ Working Jurisdiction (Twp/Boro/City) _____

Is the Earned Income Tax withheld from your pay? _____ From Spouse's Pay? _____

Are you self-employed? _____ Spouse? _____

If you have no earned income, please record the reason why: retired/homemaker/temporarily unemployed/disabled/student/minor (please state age)/other (please specify)

You _____ Spouse _____

Your Signature _____ Date _____

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. In Home Rule communities, the tax rate may vary and can even be higher than one percent(1%). 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 trust, bonds, insurance and stocks is 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 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. It is still required that our Registration Form be answered by ALL residents.

WHOSE EARNED INCOME TAX WILL BE WITHHELD BY THEIR EMPLOYER?

Any individual working in a jurisdiction that levies the tax will have the tax withheld by their employer. Occasionally, employers located in a jurisdiction where the tax is not levied will volunteer to withhold of your resident jurisdiction levies the tax.

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) salaried but self-employed in a side business; or 3) work in a municipality where the tax is not in place. Those persons must file a declaration of the total of such estimated net profits of 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 costs, 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 proceedings may be used to collect any unpaid tax found to be due and penalties and interest may also be assessed.