

Earned Income Tax Collection Changes Start January 1, 2012

Act 32, signed into law in 2008, takes effect January 1, 2012. Act 32 completely restructures the withholding, reporting and collection of local earned income taxes (EIT) in Pennsylvania.

The Act reduced the number of tax collectors in Pennsylvania from 560 to 69, and established four Tax collection Districts (TCD) in Allegheny County. Whitehall Borough and the Baldwin-Whitehall School District are in the Southwest Allegheny County TCD. Councilman Robert J. McKown is the representative on the TCD board for Whitehall Borough.

The TCD has designated Jordan Tax Service, Inc. as the collector of EIT for the Southwest District.

If you are an **EMPLOYEE**, you will be asked by your employer to complete the Local Earned Income Tax Residency Certification Form. The form is easy to complete, and will ask you to certify which municipality in which you reside. Please note that the total Resident EIT Rate is 1.5% and the PSD code for Whitehall is 730104. Once you have completed the form, you will have fulfilled your obligation under the law. Your employer will withhold your local EIT and remit it to Jordan, who in turn will remit it to your municipality and school district.

If you are an **EMPLOYER**, you will be required to withhold EIT for all employees, and remit those funds to the various TCDs. You will also be subject to applicable reporting requirements as adopted by the TCD.

For more information about Act 32 and its requirements you can visit www.jordantax.com/act32 or the state website at www.newPA.com.