



# INSTRUCTIONS FOR FILING LOCAL INCOME TAX RETURN

Where to File	<b>MAIL YOUR COMPLETED RETURN TO:</b> Keystone Collections Group 546 Wendel Road Irwin, PA 15642	<b>MAKE YOUR CHECK PAYABLE TO:</b> Keystone Collections Group <b>CONTACT US AT:</b> Phone: (724) 978-0300 Fax: (724) 978-0339
Who Must File	Every resident (including part-year residents) is required to file a local earned income tax return, regardless of whether tax is due, refund/credit is due, tax has been withheld by his/her employer, or you have no earned income. Part year residents should complete the section at the top of the tax return and provide evidence that local earned income tax was paid to that other place of residence to avoid further inquiry. A husband and wife may both file on this form; however, tax calculations must be reported in separated columns. Joint filing (i.e. combining income, etc.) is not permitted. Failure to receive a tax form shall not excuse your obligation to file this return. If you and your spouse each receive a Local Earned Income Tax Return, please complete one return for both, and submit with any additional returns. If you had no earned income, indicate none on line 7 of this return.	
When to File	This return must be received by this office and/or postmarked on or before April 15, unless this is a Saturday or Sunday, then the next business day, regardless of whether or not tax is due.	
Amended Return	If you amend your State Income Tax Return, you must also file an amended local income tax return with this office.	
<b>Line 1:</b>	<b>Gross State Earnings (Include Copies of Form W-2 and/or Form 1099)</b>	
<i>Taxable Earnings</i>	Salaries; Wages; Commissions; Bonuses; Incentive payments; Fees; Tips and other compensation received by you for services rendered, whether directly or through an agent, and whether in cash or in property, Benefits from employment such as annual leave, vacation, holiday, sabbatical leave, separation pay, personal use of company vehicle, reimbursement in excess of actual expenses, compensation received from royalties and patents, jury duty pay, and sick pay (if employee received regular salary during illness); Payments received from weekend National Guard or Reserve Units; Early Distribution from Individual Retirement Programs; Deferred Compensation Plans.	
<i>NonTaxable Earnings</i>	Pension; Social Security and retirement benefits; Worker's Compensation; Wages or compensation for active military service; Sick pay and disability (Third Party); Payments commonly known as public assistance, or unemployment compensation payments by any governmental agency; Payments to reimburse actual expenses; Payments made by employers or labor unions for wage and salary supplemental programs, including but not limited to, programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, strike benefits; Gifts; Interest; Dividends; Lottery winnings; Capital gains; Cafeteria Plans; Clergy Housing Allowance.	
<b>Line 2:</b>	<b>Allowable Employee Business Expenses (Unreimbursed)</b> <b>NECESSARY DOCUMENTATION: YOU MUST ENCLOSE COPY OF PA UE-1 or UE-2 OR EXPENSES WILL BE DISALLOWED!</b>	
<i>Overnight Travel Expenses</i>	Includes: Cost of commercial transportation; Meals; Lodging; Tips; Business telephone calls; Automobile expenses.	
<i>Transportation</i>	Include only the cost of traveling from one place to another if directly attributable to your employment. You may not deduct commuting expenses to and from your place of employment.	
<i>Education</i>	Expenses that meet the express requirement of law or regulation for retaining your job or position including tuition, books, supplies, fees, and related travel expenses. Expenses for education or a personal or self-improvement nature are not deductible.	
<i>Other Allowable Expenses</i>	These shall include union or professional dues, tools and supplies, uniforms and other special clothing required by your employer.	
<b>Line 3:</b>	<b>Taxable Earnings from W-2s/1099s - Line 1 minus Line 2</b>	
<b>Line 4:</b>	<b>Net Profits From Business (see line 5 for Net Loss)</b> , including sole proprietorship, partnership, LLC or other business entity. Net profits shall be computed by subtracting the cost of goods sold and all ordinary and necessary expenses of doing business from the gross receipts. Any business deductions not allowed for PA income tax purposes will generally not be allowed. Rental income received from real estate or personal property and reportable on PA Schedule C must be included as net profits. <b>NECESSARY DOCUMENTATION: COPIES OF PA SCHEDULE C, F, RK-1 or PA 20-S. (FEDERAL SCHEDULES NOT ACCEPTED).</b>	
<b>Line 5:</b>	<b>Net Loss From Business (see line 4 for Net Loss)</b> , Beginning with tax year 2009, you may no longer deduct the net loss of your business or profession against your earned income from salaries and wages. You may not deduct or offset losses from and S-Corporation against other income. <b>NECESSARY DOCUMENTATION: COPIES OF PA SCHEDULE C, F, RK-1 or PA 20-S. (FEDERAL SCHEDULES NOT ACCEPTED).</b>	
<b>Line 6:</b>	<b>Subtotal - Line 4 minus line 5.</b>	
<b>Line 7:</b>	<b>Total Earned Income - Line 3 plus Line 6.</b>	
<b>Line 8:</b>	<b>Tax Liability - Multiply Line 7 by tax rate shown on original return.</b>	
<b>Line 9:</b>	<b>Earned Income Tax Withheld - as shown on copy of Form W-2.</b>	
<b>Line 10:</b>	<b>Estimated Payments / Credits</b> Any direct payments that you made to this office during the year and any authorized credits from prior years should be entered on this line. Do not include any amounts that were withheld by your employer and included on Line 9 of this return.	
<b>Line 11:</b>	<b>Miscellaneous Credit (Tax Paid to Philadelphia/Other Non-Reciprocal States)</b> If you paid income taxes to any non reciprocating state or any political subdivision outside of Pennsylvania (foreign tax), and deducted less than the full amount of that foreign tax as credit against your PA income tax liability, you may be entitled to an additional credit against the tax shown on this return. PA return (including schedule G), Foreign City or State Return and W-2 showing tax withheld must be provided to receive credit. No credit allowed for tax paid outside the United States.	
<b>Line 12:</b>	<b>Total - Line 9, plus Line 10, plus Line 11</b>	
<b>Line 13:</b>	<b>Credit / Refund</b> Overpayments on your Earned Income Tax can either be credited to next years tax or be refunded directly to the taxpayer. Both requests must be accompanied by the front page of your PA 40 (lines 1, 4 & 6) plus any supporting schedules.	
<b>Line 14:</b>	<b>Total Tax Due - Line 8 minus Line 12; If less than \$1.00 enter zero.</b>	
<b>Line 15:</b>	<b>Interest &amp; Penalties</b> Payments made after due dates will be subject to interest at the rate of six percent (6%) per annum on the amount of said tax, and an additional penalty of one-half of one percent (1/2%) of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid. A late filing fee will be charged for any return received after the due date.	
<b>Line 16:</b>	<b>Total Amount Due. Line 14 plus Line 15; If less than \$1.00, enter zero.</b>	
<b>Line 17:</b>	<b>Write Each Individual's Tax Due on Line 17.</b>	