

CURRENT YEAR PAYMENT RECORD			
INCOME A		INCOME B	
QTR. 1 \$		QTR. 1 \$	
QTR. 2 \$		QTR. 2 \$	
QTR. 3 \$		QTR. 3 \$	
QTR. 4 \$		QTR. 4 \$	
TOTAL (ENTER ON LINE 9b)		TOTAL (ENTER ON LINE 9b)	

INSTRUCTIONS FOR FINAL RETURN FORM

Every resident who had taxable earned income or net profits during any part of the year must file a final tax return form. **THIS RETURN MUST BE FILED EVEN IF TAX WAS FULLY WITHHELD BY YOUR EMPLOYER OR IF NO ADDITIONAL TAX IS DUE.** Two-income households may file on the same form provided separate columns are used. Merging of Income/Loss is not permitted.

All returns must be postmarked or delivered on or before April 15 of the following tax year to avoid penalty, interest and late charges.

LINE 1 - TAXABLE EARNED INCOME AND COMPENSATION Earned Income shall be determined by the Regulations set forth by the Pennsylvania Department of Revenue relating to personal income tax. Please refer to Act 166 of 2002. Earned Income includes gross wages; salaries; commissions; bonuses; tips; fees; vacation pay; honoraria; severance pay; incentive payments; supplemental wage plans; profit distributions; sick pay (other than third party sick pay); housing allowance payments; taxes assumed by the employer for the employee; exercised stock options from employers; employer-reimbursed moving expenses; deferred income for pensions and annuities; interest earned on premature 401(k) distributions; and other forms of compensation as provided by the employer whether reported on W-2 statements or 1099 Forms.

LINE 2 - DEDUCTIONS FOR UN-REIMBURSED BUSINESS EXPENSES ARE PERMITTED AS FOLLOWS: business related auto expenses; union dues; professional license fees; professional dues; small tools required for employment; and uniforms or work clothing not suitable for everyday use. Business expenses will not be processed as a deduction without documentation. Attach PA Schedule UE Form and Federal Form 2106. Contributions to deferred income plans such as IRA's, 401(k)'s, and Keoghs cannot be deducted from taxable income. **PERSONAL EXPENSES NOT DEDUCTIBLE.**

LINE 4 - OFFSETS AGAINST EARNED INCOME A business loss can be offset against earned income/compensation but not against the profit earned in another business. A business profit cannot be offset by a business loss. Losses from Sub-Chapter S income cannot be offset against earned income. Do not include corporate income or loss.

LINE 6 - TAXABLE NET PROFIT Net Profit shall be determined by the Regulations set forth by the Pennsylvania Department of Revenue relating to personal income tax. Please refer to Act 166 of 2002. Net Profit includes net profits from a business, profession or farm; rental income unless reported as passive income to the Pennsylvania Department of Revenue; royalties; patents and fees; and partnership or joint venture income. In addition, taxable gains from the sale of business property shall be reported for earned income tax purposes in the year of sale to the extent that they were created by depreciation deductions (tax benefit) previously deducted to determine net profits. Supporting documents shall include but not be limited to Federal Form 4797, Schedule C, D, E, F, K-1, and related schedules. Sub-Chapter S income will be taxed to the extent that it represents income for services rendered to a corporation by a party to the extent that a reasonable salary is not taken that is otherwise subject to the earned income tax. Where shareholder provides services and does not receive a reasonable salary, distribution of S-Corporator profit to that shareholder should be considered compensation for services rendered.

LINE 9(c) - Any person subject to the City of Philadelphia income tax must identify the amount of tax paid to the City of Philadelphia on Line 9(c). All income, as well as the name and address of your employer, must be verified by W-2 or other schedule (Act 72 of 2004).

LINE 10 - OVERPAYMENT Your REFUND amount, if any, appears on Line 10 of the tax return. OVERPAYMENTS will be credited to other tax liabilities, or refunded. No refunds under \$5.00 will be issued unless liability ceases this year or there are extenuating circumstances. Amounts under \$5.00 will be credited to the next tax year.

LINE 11-13 - TAX PAYMENT Your remaining tax liability appears on Line 13 of the tax return. If paying jointly, insert amount enclosed on Line 14. No payments under \$1.00 are required. **NOTE:** There will be a \$30.00 charge for checks returned from the bank for any reason. For a receipt, enclose a stamped, self-addressed envelope. Please Note! by submitting payment by check, you are authorizing our company to convert your check into a one-time electronic debit from your account in the financial institution indicated on your check. If this option is exercised, the resulting electronic debit will be for the exact amount of your check; no additional amount will be added to the check amount.

PENALTY AND INTEREST CHARGES All returns filed after April 15 will be assessed penalty and interest charges at the rate of 1% per month. Additional late fees, penalty and interest charges will be assessed for residents who have failed to file or make proper tax payments. At least 85% of the earned income tax liability must have been met through quarterly payments in order to avoid penalty and interest on unpaid taxes.

NON-TAXABLE INCOME (DO NOT INCLUDE THESE ITEMS): personal interest and dividend income; social security benefits; pensions; disability benefits; cafeteria plans; personal use of company auto; military pay; third party sick pay; parsonage housing allowance payments; lottery winnings; death benefit payments; gifts or bequests; unemployment compensation; supplemental unemployment benefits (SUB); public assistance and income from stocks or trusts.

DOCUMENTATION Documentation of earnings (W-2 statements and Forms 4797 and/or 1099), net profits (Schedule C, E, F or K-1), and/or business expenses (Pennsylvania Department of Revenue Schedule UE, Federal Form 2106, and other federal and state forms as applicable) must accompany tax returns. **TAX RETURNS WITHOUT PROPER DOCUMENTATION WILL BE CONSIDERED INCOMPLETE AND WILL NOT BE PROCESSED. REFUNDS OR CREDITS WILL NOT BE ISSUED WITHOUT PROPER DOCUMENTATION.** Indicate the name of the taxing district receiving any money withheld on withholding statement, or on an attached sheet of paper. Taxpayers must supply the original document or a copy of the document - the tax office will not make copies or return documents.

CREDIT FOR TAXES TO OTHER JURISDICTIONS Payments by residents of a tax on income to Philadelphia, any state other than Pennsylvania with the exception of states maintaining a reciprocal agreement with Pennsylvania, or any political subdivision located outside Pennsylvania can be credited against this tax. The credit can not exceed local tax rate and no refunds will be allowed on excess. Calculate credit on chart below for taxes paid to other states and supply copies of Pennsylvania and other state tax returns.

CHECK NAME, ADDRESS, RESIDENT MUNICIPALITY, AND FILL IN SOCIAL SECURITY NUMBER Your social security number is important for the prompt and accurate processing of this return. Make any corrections to the name, address, resident municipality, and complete social security number section on this return.

SIGNATURE REQUIRED All returns must be signed and dated by the taxpayer(s) only. Power of Attorney is required for second party signing. Improperly executed returns will be considered unfiled and delinquent.

FAILURE TO RECEIVE A TAX RETURN DOES NOT RELIEVE THE TAXPAYER OF THE RESPONSIBILITY OF FILING A TAX RETURN AND OF PAYING THE TAX. Failure to file, upon conviction, may result in a fine up to \$500.00 per year, plus penalty, interest, and costs of collection (Local Tax Enabling Act, P.L. 1257).

OFFICE USE ONLY

COMPUTATION OF CREDIT FOR TAXES PAID TO OTHER STATES

Income subject to tax in other state (attach PA Schedule G & tax return)	\$ _____	AA
Tax paid to other state less refund (attach copy of tax return)	\$ _____	BB
PA Income Tax Credit (PA tax rate X AA)	\$ _____	CC
Excess tax paid other state (BB-CC) (if negative enter 0)	\$ _____	DD
Maximum Allowable Credit (local tax rate X AA)	\$ _____	EE
Allowable Tax Credit (lesser of DD or EE) enter on line 9 (c) on front	\$ _____	