



# **LANCASTER COUNTY TAX COLLECTION BUREAU**

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## ***EMPLOYERS INSTRUCTIONS FOR WITHHOLDING EARNED INCOME TAX.***

It may be helpful if we outline the type of reports that you, as an Employer, would be required to provide the Lancaster County Tax Collection Bureau (LCTCB).

The Bureau is responsible for the administration and collection of the Earned Income Tax for all residents of its jurisdiction, which is comprised of all school districts and municipalities in Lancaster County, the Octorara Area School District and its municipalities in Chester County and Lower Dauphin School District, Middletown Area School District and Susquehanna Township School District in Dauphin County.

### **EMPLOYER'S REPORTS**

#### ***A. QUARTERLY REPORTS:***

Employer's Withholding of Earned Income Tax coupons will be mailed to each registered employer. The employer will report the following information on the quarterly returns prior to filing them:

1. Total earned income tax withheld from your employees for the quarter.
2. If paid after the due date, there is a late charge of one percent (1%) per month.
3. Balance due to be remitted. Remittance is due, along with the quarterly return, by the last day of the month following the close of the calendar quarter.

***Do not remit to our Bureau, any tax withheld from employees who are not residents of Lancaster County, the Octorara Area School District in Chester County, Lower Dauphin School District, Middletown Area School District and Susquehanna Township School District in Dauphin County, or from employees who are under 16 years of age.***

**IMPORTANT:** Please note that it is not necessary for you to report individual employee totals or totals by the various taxing areas on a quarterly basis.

#### ***B. YEARLY REPORTS:***

##### **1. Employees' Withholding Statements:**

At the end of each year the employer will provide all employees, from whom he has withheld this tax, withholding statements. The Bureau has approved employer's using the Federal W-2 form.

##### **2. Reconciliation Form:**

The "Reconciliation of Earned Income Tax Withheld" form must be filed by the end of February. This form is used to verify that the earned income tax reported on the employees withholding statements (W-2's) agrees with the total tax withheld as reported to our Bureau each quarter. A copy of each employees withholding statement must be remitted with this reconciliation form. A computer listing, **in social security number order**, is acceptable in lieu of the W-2's, provided the **employee's name, address, social security number, state taxable wages and local income tax withheld** is shown. (**NOTE:** Employers reporting for 50 or more employees must file electronically using the EFW2 filing format or the LCTCB approved Excel spreadsheet.)

Every employer with a place of business or doing business within the jurisdiction of the Bureau, who employs one or more persons (other than domestic in a private home), shall deduct the tax from the employee's wages at the time of payment. An employer required to withhold under the preceding sentence shall withhold the tax, at the appropriate rate, from all employees who are residents within the jurisdiction of the Bureau.

Any employer may voluntarily withhold the tax from employees who are not residents within the jurisdiction of the Bureau, if such employees are subject to tax by any taxing district and if they consent to such withholding. Withheld taxes should only be remitted to the Bureau for residents within the Bureau's jurisdiction. Withholdings for residents outside the jurisdiction should be remitted to the appropriate collector based on the employee's residence.

#### ***C. LOCAL SERVICES TAX (LST):***

Starting in 2006, LCTCB has been named the designated collector of the LST for some of the municipalities and school districts in Lancaster County. A complete list and instructions can be found on our web site [www.lctcb.org](http://www.lctcb.org).

**SCHOOL DISTRICTS AND MUNICIPALITIES IN THE LCTCB TAXING JURISDICTION**

The school districts and municipalities shown below have enacted an earned income tax and designated LCTCB as the agency responsible for the collection of this tax.

**IMPORTANT - This tax applies only to residents of these school districts that are sixteen (16) years of age or older.**

<u>SCHOOL DISTRICT</u>	<u>MUNICIPALITIES</u>	<u>SCHOOL DISTRICT</u>	<u>MUNICIPALITIES</u>
<i>Cocalico</i>	Adamstown Boro (1%) East Cocalico Twp (1%) West Cocalico Twp (1%) Denver Boro (1%)	<i>Lower Dauphin</i>	Conewago Twp (1%) East Hanover Twp (1%) Hummelstown Boro (1%) Londonderry Twp (1%) South Hanover Twp (1%)
<i>Columbia</i>	Columbia Boro (1%)		
<i>Conestoga Valley</i>	East Lampeter Twp (1%) Upper Leacock Twp (1%) West Earl Twp (1%) <b>Lanc. City Annex Area (1.1%)</b>	<i>Manheim Central</i>	Manheim Boro (1%) Penn Twp (1%) Rapho Twp (1%)
<i>Donegal</i>	East Donegal Twp (1%) Marietta Boro (1%) Mount Joy Boro (1%) Mount Joy Twp Part (1%)	<i>Manheim Township</i>	Manheim Twp (1%)
<i>Eastern Lancaster Co.</i>	Brecknock Twp (1%) Caernarvon Twp (1%) Earl Twp (1%) East Earl Twp (1%) New Holland Boro (1%) Terre Hill Boro (1%)	<i>Middletown Area</i>	<b>Lower Swatara Twp (1.75%)</b> <b>Middletown Boro (1.75%)</b> <b>Royalton Boro (1.75%)</b>
<i>Elizabethtown Area</i>	Conoy Twp (1%) West Donegal Twp (1%) Elizabethtown Boro (1%) Mount Joy Twp Part (1%)	<i>Octorara Area</i>	Christiana Boro (1%) Sadsbury Twp (1%) Atglen Boro* (1%) <b>Highland Twp* (1.5%)</b> <b>Londonderry Twp* (1.25%)</b> Parkesburg Boro* (1%) West Fallowfield Twp* (1%) <b>West Sadsbury Twp* (1.2%)</b>
<i>Ephrata Area</i>	Akron Boro (1%) Clay Twp (1%) Ephrata Boro (1%) Ephrata Twp (1%)	<i>Penn Manor</i>	Conestoga Twp (1%) Manor Twp (1%) Martic Twp (1%) Pequea Twp (1%) Millersville Boro (1%)
<i>Hempfield</i>	East Hempfield Twp (1%) West Hempfield Twp (1%) Mountville Boro (1%) East Petersburg Boro (1%)	<i>Pequea Valley</i>	Leacock Twp (1%) Paradise Twp (1%) Salisbury Twp (1%)
<i>Lampeter-Strasburg</i>	West Lampeter Twp (1%) Strasburg Boro (1%) Strasburg Twp (1%) <b>Lanc. City Annex Area (1.1%)</b>	<i>Solanco</i>	<b>Colerain Twp (1.65%)</b> <b>Drumore Twp (1.65%)</b> <b>East Drumore Twp (1.65%)</b> <b>Eden Twp (1.65%)</b> <b>Fulton Twp (1.65%)</b> <b>Providence Twp (1.65%)</b> <b>Quarryville Boro (1.65%)</b> <b>Bart Twp (1.65%)</b> <b>Little Britain Twp (1.65%)</b>
<i>Lancaster</i>	<b>Lancaster City (1.1%)</b> Lancaster Twp (1%)	<i>Susquehanna</i>	Susquehanna Twp (1%)
		<i>Warwick</i>	<b>Elizabeth Twp (1.15%)</b> <b>Lititz Boro (1.15%)</b> <b>Warwick Twp (1.15%)</b>

The tax rates listed indicate the combined rate for the school district and the municipality. LCTCB is the authorized collection agency for both the school district and the municipalities within it. As a result, employers should withhold the full tax rate from all residents of these districts and remit to our bureau. We will then distribute the funds to the proper school districts and municipalities.