

LANCASTER COUNTY TAX COLLECTION BUREAU

REGULATIONS FOR THE EARNED INCOME AND NET PROFITS TAX

Revised: March 1, 2008

These regulations have been promulgated under the authority of the Local Tax Enabling Act, 53 P.S. § 6901 et. seq.; 53 Pa.C.S.A. § 8401 et. seq., 53 P.S. § 6297.1 et. seq.; the Taxpayer Relief Act, Act 1 of 2006, 53 P.S. § 6926.101 et seq. These regulations do not alter in any way, the tax resolutions adopted by school districts or the ordinances enacted by municipalities.

The tax resolutions and ordinances and these regulations are continuing and are applicable until changed. Copies of the original tax resolutions or ordinances may be examined at the office of this Bureau or the office of the taxing district.

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ARTICLE I - DEFINITIONS

The following words and phrases used in these regulations have the following meanings unless the context clearly indicates a different meaning:

“BUREAU” Lancaster County Tax Collection Bureau (which may do business as the “Middletown Area Tax Collection Bureau”) - An agency organized and operated by member school districts located in Lancaster and Chester Counties to collect, receive, and administer earned income taxes as authorized by resolutions of the various member school districts and also of municipalities and other school districts with which it may enter into collection agreements.

Bureau performs the function of the “Income Tax Officer” as defined in the Local Tax Enabling Act.

“DISABILITY” or “DISABLED” - The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, as provided by social security regulations.

“DOMICILE” - The place where one lives and has one's permanent home and to which one has the intention of returning whenever absent. Actual residence for a special or limited purpose does not constitute domicile; rather, domicile is the voluntary fixed place of permanent habitation of a person. In the case of businesses or associations, the domicile is that place considered as the center of business affairs and the place where its functions are discharged.

“EARNED INCOME” - Compensation as determined under section 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the “Tax Reform Code of 1971,” 72 P.S. § 7301 et. seq., and regulations in 61 Pa. Code Pt. 1 Subpt. B Art. V (relating to personal income tax), not including, however, wages or compensation paid to individuals on active military service.

“EMPLOYEE” - A person employed by an “employer” on a salary, wage, commission or other compensation basis.

“EMPLOYER” - A person, partnership, association, corporation, governmental body or unit or agency, or any other entity employing one or more persons on a salary, wage, commission or other compensation basis.

“EXECUTIVE COMMITTEE” - The governing body of the “Bureau”.

“EXECUTIVE DIRECTOR” - The chief administrative officer of the “Bureau”.

“INCOME TAX OFFICER” – The “Bureau”, as defined above

“JURISDICTION”- All school districts and municipalities in Lancaster County, Pennsylvania; Octorara School District of Chester County, Pennsylvania and all municipalities therein; and Middletown Area School District, Lower Dauphin School District and Susquehanna Township School District of Dauphin County Pennsylvania and all municipalities therein.

“MUNICIPALITIES THAT TAX NON-RESIDENTS” – All municipalities located within the Middletown Area School District, Lower Dauphin School District and Susquehanna Township School District. (Each such municipality may be referred to as a “MUNICIPALITY THAT TAXES NON-RESIDENTS”)

“NET PROFITS” - The net income from the operation of a business, profession, or other activity, except corporations, as determined under section 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the “Tax Reform Code of 1971,” 72 P.S. § 7301 et. seq., and regulations in 61 Pa. Code Pt. 1 Subpt. B Art. V (relating to personal income tax). The term does not include income which is not paid for services provided and which is in the nature of earnings from an investment. For taxpayers engaged in the business, profession or activity of farming, the term shall not include:

- (1) any interest earnings generated from any monetary accounts or investment instruments of the farming business;
- (2) any gain on the sale of farm machinery;
- (3) any gain on the sale of livestock held twelve months or more for draft, breeding or dairy purposes; and
- (4) any gain on the sale of other capital assets of the farm.

“NON-RESIDENT”- A person domiciled outside the taxing district.

“RESIDENT” - A person domiciled in the taxing district.

“RESOLUTION OR ORDINANCE” - The official school board's or municipal governing body's action, by resolution or ordinance, levying the earned income and net profits tax in any one of all of the school districts or municipalities within the jurisdiction, or designating this Bureau as collection agent or “Income Tax Officer”.

“TAXING DISTRICT OR DISTRICT” - The school district or municipality, within the jurisdiction, levying earned income and net profits tax on residents or non-residents.

“TAXPAYER” - A person required to file a return of earned income or net profits, or to pay a tax thereon, whether or not any tax is actually due.

ARTICLE II - IMPOSITION OF TAX

SECTION 201 - PERSONS SUBJECT TO TAX AND THE TAX RATE

All residents of Lancaster County, Octorara Area School District of Chester County, or Middletown Area School District, Lower Dauphin School District or Susquehanna Township School District of Dauphin County, who are sixteen (16) years of age or older at any time during the calendar year, and who earned any amount of earned income or net profits during the calendar year, are subject to the earned income and net profits tax and are required to file a tax return with the Bureau, whether or not any tax is actually due. Non-residents of the municipalities that tax non-residents are subject to the earned income and net profits tax, but do not file a tax return with the Bureau (unless they are domiciled elsewhere in the jurisdiction). The rate of tax is the rate as prescribed by each of the taxing districts.

A "resident" is a person domiciled within the taxing district. This is evidenced, among other things, by one or more of the following:

- A. By customarily being physically present, sleeping and eating there
- B. By maintaining religious, civic and club affiliations there
- C. By holding oneself out as residing there, i.e., giving address in registration for licenses, payment of per capita, personal property or income taxes
- D. By spouse and minor children living there
- E. By voting there

Normally it is not difficult to determine the residence of a person because usually most of the determining factors point to only one conclusion. If a person has all of the foregoing factors occurring in one district, the person is a resident of that district.

Of more difficulty is the situation concerning individuals to whom some of the factors occur in one district and others take place elsewhere. In these situations, each case must be determined solely on its own facts. The Bureau may require a sworn affidavit on a Bureau prescribed form to be completed by an individual to make a residency determination. Final determination will be made by the executive director of the Bureau.

SECTION 202 - WHAT IS TAXED

The tax is imposed on earned income and net profits as both are defined in Article I of these regulations. These items are subject to the tax, whether a taxpayer receives them directly or through an agent.

SECTION 203 - WHAT IS INCLUDED IN "EARNED INCOME"

Examples of earned income (without intending in any way to limit the provisions of the resolutions or ordinances to these examples) are:

- A. Gross salaries and wages including recoveries for back pay and receipt of deferred compensation payments
- B. Commissions
- C. Bonuses
- D. Income realized from employee stock options
- E. Incentive payments received from employer or on behalf of the employer for the purpose of rewarding or inducing an employee to make a decision with respect to the taxpayer's (or anyone else's) employment or termination
- F. Tips, allocated tips, gratuities, and honoraria
- G. Fees, including executor's, director's, administrator's, trustee's or any fiduciary fees for any services rendered or decision(s) made
- H. Benefits accruing from employment including, but not limited to, annual leave, vacation, holiday, sickness, and separation benefits, but excluding benefits mentioned in Section 205 A.
- I. Taxes assumed by the employer for the employee
- J. Regular wages received during a period of sickness or disability
- K. Pennsylvania taxable fringe benefits
- L. Employee tax deferred contributions to any type of retirement plan
- M. Premature distributions (before age 59 ½) from retirement plans, net of taxpayer contributions, unless the result of death or disability
- N. Expenses assumed by the employer (e.g. taxes, relocation, etc.)
- O. Stipends, fellowships and grants when service is required
- P. Jury duty pay
- Q. Separation pay
- R. Union (strike) pay
- S. Non-compete payments
- T. All other forms of compensation for an employee's services. Neither the kind nor rate of payment, nor the manner of employment, exempts an employee from the tax. Compensation received in the form of property shall be taxed at its fair market value at the time of receipt.

SECTION 204 - WHAT IS INCLUDED IN "NET PROFITS"

Examples of "net profits" (without intending in any way to limit the provisions of the resolution or ordinances to these examples) are:

- A. The net profits of a business or profession or of farm operations conducted by an individual as computed according to the laws, regulations and procedures for computing Pennsylvania Income Tax "net profits" or "net farm profits" as required to be reported on Schedules C or F
- B. Receipts reportable for Pennsylvania income tax purposes, as derived from a fiduciary, partnership, or joint venture except any portion thereof resulting from things not taxed by the resolution or ordinance, such as capital gains, real estate rentals, or interests, as set forth under Section 205
- C. Royalties received by authors, inventors, etc.
- D. Income from the operation of hotels, motels, trailer camps, tourist homes, boarding houses and other similar businesses
- E. Income from the active trade or business of renting personal property
- F. Income from active participation in a trade or business organized as a Limited Liability Partnership or Limited Liability Company
- G. Income from active participation in a trade or business organized as a Limited Partnership (General Partner)

SECTION 205 - EXCLUSIONS FROM TAX

The following are not considered to be earned income and are not subject to the tax:

- A. Sickness, disability, or retirement benefits paid under a qualified plan, including disability or retirement benefits arising under Workers' Compensation Acts, Occupational Disease Acts and similar legislation - except regular wages as provided in Section 203 J and premature distributions provided in Section 203 M
- B. Payments made under any public assistance or unemployment compensation legislation
- C. Active duty military pay, wherever earned
- D. Earned Income of persons under the age of sixteen (16) years
- E. Death benefit payments to an employee's beneficiary or estate, whether payable in a lump sum or otherwise
- F. Proceeds of life insurance policies
- G. Cash or property received as a gift, by will, or by statutes of descent and distribution
- H. Interest and dividends
- I. Rents derived from mere "passive" or "investment" ownership or subleasing of real estate without the furnishing by the lessor of services to the leased premises or to the lessee other than gas, electricity, water, sewage, and heat. (Such rents are considered to be the return solely from invested capital and not profits from operation of a business activity or enterprise taxed by the resolution or ordinance.) Furnishing of services to common portions, and general preservation of rented real estate shall not make rents described in this paragraph taxable.
- J. Value of meals and lodging furnished to domestics or other employees by the employer for the employer's convenience
- K. Capital gains
- L. Social Security benefits
- M. Lottery winnings
- N. Sub-Chapter S profits (except wages and salaries) which exceed fair compensation for services
- O. Proceeds from approved retirement and pension plans (including but not limited to IRAs, 401Ks, 403Bs, SEPs), except premature distributions provided in Section 203 M
- P. Employer paid group term life insurance
- Q. Housing allowance payments received by clergy
- R. Personal or business use of property owned or leased by an employer, such as an automobile, aircraft or other vehicle

SECTION 206 - RESIDENT AND NON-RESIDENT TAXATION AND CREDITS

A. Pursuant to the resolutions or ordinances adopted by the various taxing districts, a tax for general revenue purposes has been imposed, during each calendar year, on the earned income and net profits of residents of the taxing districts. The entire taxable earnings of resident employees and the total net profits of residents from businesses, professions and other activities are subject to this tax. Neither the source of the earnings or net profits, nor the place or places where the services were rendered exempt a resident from the tax; however, the credit provisions of these regulations may apply to potentially reduce the resident's tax liability to the resident's taxing district.

B. In the case of the municipalities that tax non-residents, pursuant to ordinances adopted by such municipalities, a tax for general revenue purposes has been imposed, during each calendar year, on the earned income and net profits of non-residents of such municipalities. With respect to such municipalities, the entire taxable earnings of non-resident employees for work or services performed or rendered in the non-resident municipality and the total net profits of non-residents from businesses, professions and other activities conducted in the non-resident municipalities are subject to this tax; however the credit provisions of these regulations may apply to potentially reduce the non-resident's tax liability to the municipalities that tax non-residents.

C. Credit for Taxes paid by Pennsylvania Residents to Political Subdivisions located in Other States.

1. Taxes on income paid by a resident of a taxing district to any political subdivision located in another state of the United States, shall be credited to and allowed as a deduction from the earned income or net profits tax liability of such resident to the resident's taxing district. The credit is limited to the local earned income and net profits tax rate levied by the resident's taxing district times the taxpayer's gross earnings taxed in the out-of-state political subdivision, and the credit shall be applied only to the extent that the income taxed by the out-of-state political subdivision represents earned income or net profits. This credit is available regardless of whether the state in which the political subdivision is located is a reciprocal state, as defined below.

D. Credit for Taxes paid by Pennsylvania Residents to Other States.

1. Taxes on income paid by a resident of a taxing district to another state of the United States shall be credited to and allowed as a deduction from the earned income or net profits tax liability of such resident to the resident's taxing district. The credit shall be applied only to the extent it exceeds the amount of the credit that can be taken against the resident's Pennsylvania personal income tax and only to the extent that the income taxed by the other state represents earned income or net profits. This credit is limited to the lesser of:

a. The local earned income and net profits tax rate levied by the resident's taxing district times the taxpayer's gross earnings taxed in the other state, or

b. The difference between the taxpayer's total state income tax liability in the other state and the Pennsylvania personal income tax rate times the taxpayer's gross earnings taxed in the other state.

2. A state that has a reciprocal income tax agreement with Pennsylvania (a "reciprocal state") excuses a Pennsylvania resident from paying income tax to the reciprocal state on wages earned in the reciprocal state. Accordingly, the foregoing credit is not available for wages earned by a Pennsylvania resident in a reciprocal state.

E. Credit for Taxes paid to Taxing District of Residence.

1. Taxes on income paid to a taxing district by a resident thereof shall be credited to and allowed as a deduction from the earned income or net profits tax liability of such person to a municipality that taxes non-residents. The credit is limited to the local earned income or net profits tax rate levied by the municipality that taxes non-resident times the taxpayer's gross earnings or net profits taxed in the resident taxing district. The credit shall be applied only to the extent that the income taxed by the taxing district of the taxpayer's residence represents earned income or net profits.

F. No refunds will be issued to a taxpayer on account of the taxpayer having total available credits in an amount that exceeds the taxpayer's local earned income or net profits tax liability.

G. The foregoing credits described in Section 206 C and D shall not apply to the amount of taxes levied after June 27, 2006 by school districts or taxpayer liability incurred pursuant to Act 1 of 2006, 53 P.S. § 6926.101 et seq..

H. Credit will be granted on earnings subject to the Philadelphia Wage Tax. This credit shall not exceed the local earned income and net profits tax rate levied by the resident's taxing district times the taxpayer's gross earnings taxed in Philadelphia. No credit is available on Pittsburgh withholding. The taxpayer should apply to Pittsburgh for a refund and/or a withholding exemption from the Pittsburgh tax.

I. Evidence of payment is required to take any credit described in these regulations. There is no tax credit for taxes paid to other countries.

SECTION 207 - DEDUCTIONS AND LOSSES

A. Deductions

Employee business expenses are allowable deductions as determined under Article III of the Pennsylvania "Tax Reform Code of 1971", 72 P.S. § 7301 et. seq.

Appropriate documentation is required to fully justify deductions. State schedules are acceptable if they provide complete information.

B. Losses

Losses incurred in the operation of the business shall be deductible from earned income or net profits of other businesses in computing the tax. Such losses may not be carried over to another year. One person's losses may not be deducted from a spouse's earnings.

Losses not related to an individual's primary source of income may be disallowed, if profits are not realized in accordance with federal guidelines.

Losses resulting from activities which are not subject to the tax (e.g. rental, Sub-Chapter S losses, etc.) may not be used to offset taxable income.

Appropriate documentation is required to verify business losses. State schedules are acceptable, if they provide complete information.

ARTICLE III - COLLECTION AT THE SOURCE

SECTION 301 - REQUIRED WITHHOLDING BY EMPLOYERS

Every employer with a place of business or doing business within the jurisdiction of the Bureau, who employs one or more persons (other than domestics in a private home), shall deduct from the employee's wages at the time of payment, the tax, at the rate levied by the taxing district where the employee is domiciled. An employer required to withhold under the preceding sentence shall withhold from all employees who are residents within the jurisdiction of the Bureau. Every employer with a place of business or doing business within a municipality that taxes non-residents, shall, with respect to such non-resident employees (other than domestics in a private home), deduct from their wages, at the time of payment, the tax at the rate levied upon such non-residents by the municipality that taxes non-residents. A non-resident employee shall be said to be employed within such municipality if the employee reports to and/or receives work assignments from an employer's office located within such municipality. All taxes required to be withheld, whether for residents or for non-residents of the municipalities that tax non-residents, should be remitted to the Bureau.

SECTION 302 - VOLUNTARY WITHHOLDING BY EMPLOYERS

When not required by Section 301, any employer may voluntarily withhold earned income or net profits tax owed by an employee. All voluntarily withheld taxes should only be remitted to the Bureau for residents within the Bureau's jurisdiction. Voluntary withholdings for residents outside the jurisdiction should be remitted to the appropriate collector based on the employee's domicile.

SECTION 303 - REGISTRATION OF EMPLOYERS

- A. Each employer withholding or required to withhold tax pursuant to Sections 301 or 302 shall register with the Bureau such employer's name and address and such other information as the Bureau may require within fifteen (15) days after becoming a withholding employer.
- B. All employers with a place of business or doing business within the jurisdiction of the Bureau shall maintain complete records of all employees for a period of six (6) years after the end of the calendar year to which the records apply, in such form as to enable the Bureau to determine the employer's liability to withhold for each employee, the amount of taxable income for each employee, the actual amount withheld, the actual amount transmitted to the Bureau and such other information available to such employers as will enable the Bureau to carry out its responsibilities.

SECTION 304 - LIABILITY OF EMPLOYEE

Failure of any employer to withhold tax shall not relieve the employee from payment of such tax.

SECTION 305 - ELECTRONIC FILING REQUIREMENTS

Firms engaged by employers to process payroll, quarterly filings and remittances for twenty-five (25) or more employer accounts, shall submit quarterly tax information and payments in an electronic format prescribed by the Bureau, on or before the required due date. A copy of the electronic filing format may be obtained from the Bureau upon request. Other employers may voluntarily file in the prescribed format.

ARTICLE IV - PAYMENT OF TAX AND RETURNS

SECTION 401 - ANNUAL RETURNS BY RESIDENT TAXPAYERS

- A. On or before April 15 of each year every resident subject to the requirements of Section 201 shall file with the Bureau an annual return prescribed by the Bureau showing all earned income and net profits received or earned for the previous calendar year.
- B. When a return is made for a fiscal year, the return shall be filed within one hundred and five (105) days from the end of the fiscal year.
- C. The return shall also show the taxpayer's name, social security number, address, place or places of employment or business, the amount of tax due, the amount of any credit claimed for tax withheld by an employer (with a copy of the withholding statement showing amount of tax withheld), prescribed schedules and such other information as may be indicated on the Bureau tax return or instructions. Every resident subject to the tax shall file such return regardless of the fact the wages may have been subject to withholding of tax by the employer and regardless of whether or not tax is due.
- D. At the time of filing the annual return, the taxpayer shall pay any tax due.
- E. **Blended rate where applicable tax rate changes.** If the tax applicable to a taxpayer changes during the year, the tax rate applicable to the earned income and net profits for purposes of the annual return shall be a blended rate based on the number of full months each rate applies. The blended rate will be calculated by division of each tax rate by 12, multiplied by the number of months applicable. The result of each applicable tax rate will be added to determine the blended rate applicable to the total earned income and net profits. The rate shall be calculated to five decimal places. The tax rate applicable for the greatest number of days during any month shall be the tax rate applicable for the month.
 - Includes tax rate change by taxing district.
 - Includes tax rate change caused by taxpayer moving between taxing districts with different rates.If income reported on the annual return represents only income taxable at one rate, that rate applies, not a blended rate.

SECTION 402 - RETURNS OF EMPLOYERS AND PAYMENT OF WITHHELD TAX

- A. Every employer required to withhold tax shall file an employer quarterly return, setting forth the total sum of taxes withheld from all employees and shall remit to the Bureau the amount thereof at the following times:

<u>For Quarter Comprising the Following Months in Which Wages are Paid</u>	<u>Return and Payment Due On or Before</u>
Jan., Feb., March	April 30
April, May, June	July 31
July, Aug., Sept.	Oct. 31
Oct., Nov., Dec.	Jan. 31

- B. On or before February 28th of each year, each employer shall file with the Bureau a withholding statement in respect to each employee from whom earned income tax has been withheld. Such withholding statement shall show the name and address of both employer and employee, the employee's social security number, total wages paid to the employee during the taxable period of the preceding calendar year and the total amount of earned income tax withheld from employee during the same period. A reconciliation form shall be filed with the Bureau by each employer on or before February 28th of each year.
- C. Commencing with calendar year ending December 31, 2001, any employer required to submit magnetic media to the Commonwealth of Pennsylvania, must also submit the annual information to the Bureau by magnetic media in accordance with procedures prescribed by the Bureau. Other employers may voluntarily file in the prescribed format.
- D. On or before January 31st every employer shall furnish two copies of the individual withholding statement (provided for in 402B above) to the employee. The employee shall file one copy of such form with the employee's annual return.
- E. Every employer who discontinues business prior to the completion of the taxable year, shall, within thirty (30) days after discontinuance of business file and furnish the returns (both the quarterly type and annual type) required by this section covering periods between the last such returns and date of discontinuing business and transmit to the Bureau all tax remaining due.

SECTION 403 - FISCAL YEAR

- A. Normally taxpayers shall use the calendar year method of reporting and paying the tax.
- B. A taxpayer, by filing a copy of the federal or Pennsylvania approval for filing on a fiscal year basis to the Bureau, may make returns and pay tax on the same fiscal year basis used for Pennsylvania income tax purposes.

SECTION 404 - CASH OR ACCRUAL BASIS

A taxpayer may report income on either the cash or accrual basis as those terms are used for Pennsylvania income tax purposes. The basis used by the taxpayer shall be the same as used by the taxpayer for Pennsylvania income tax purposes.

SECTION 405 – QUARTERLY ESTIMATES

The Bureau has established a procedure for taxpayers to pay quarterly tax estimates. Affected taxpayers are those whose earned income and/or net profits is not covered with sufficient withholding by employers, self-employed taxpayers, and other taxpayers who would otherwise owe tax at the filing of the annual return. The due dates are the same as those for Pennsylvania and federal quarterly estimated income tax payments.

ARTICLE V - ADMINISTRATION AND ENFORCEMENT

SECTION 501 - EXECUTIVE COMMITTEE OF BUREAU

The Executive Committee of the Bureau is the governing body empowered to make all decisions on behalf of the Bureau. The Bureau is charged with the administration and enforcement of the resolutions, ordinances, and these regulations.

SECTION 502 - EXECUTIVE DIRECTOR OF BUREAU

The executive director of the Bureau as its chief administrative officer is authorized by the Executive Committee to act on its behalf in the enforcement, interpretation, and application of the resolutions, ordinances, and these regulations.

SECTION 503 - TAXPAYER RIGHTS & OBLIGATIONS

Any taxpayer or employer desiring a specific ruling concerning an interpretation of the resolutions, ordinances or these regulations shall submit all pertinent facts in writing to the executive director who may issue a ruling.

In accordance with Act 50 of 1998, taxpayer rights and obligations regarding request for information reviews and appeal rights are as provided in the Taxpayers Bill of Rights Disclosure Statement adopted by the Bureau and incorporated herein by reference, which is available on request.

SECTION 504 - EXAMINATION OF BOOKS AND RECORDS OF TAXPAYERS AND EMPLOYERS

- A. The executive director and agents designated in writing by him are authorized to examine the books, papers and records of any taxpayer or supposed taxpayer or of any employer or supposed employer in order to verify the accuracy of any return; or, if no return was filed, to ascertain the tax due, if any. Every taxpayer or supposed taxpayer and every employer or supposed employer is required to give the executive director or any agent so designated by him, the means, facilities and opportunity for such examination and investigations as are authorized.
- B. Any information gained by the executive director, his agents, or by any other official or agent of the taxing district, as a result of any declarations, returns, investigations, hearing or verifications required or authorized by the ordinances or resolutions, shall be confidential, except for official purposes and except in accordance with proper judicial order, or as otherwise provided by law.

SECTION 505 - RECORDS TO BE KEPT BY TAXPAYERS

Taxpayers and employers subject to the resolutions or ordinances are required to keep such records as will enable the filing of true and accurate returns, whether of taxes withheld at source, or of taxes payable upon earned income or net profits, or both; and such records shall be preserved for a period of not less than six (6) years after the end of the calendar year to which the records apply in order to enable the Bureau to verify the accuracy of the returns filed.

SECTION 506 - REFUNDS

All claims for refund shall be addressed to the Bureau, which shall pay them as soon as administratively possible to the extent it may find them to be well founded. Over-payments of less than one dollar (\$1.00) will only be refunded at the Bureau's office. Refunds of one dollar (\$1.00) or more will be paid by check and mailed. Requests for refunds will not be honored on initial returns filed later than three (3) years from the due date of the return.

SECTION 507 - INTEREST AND PENALTIES

If for any reason the tax is not paid when due, interest at the rate of six percent (6%) per annum on the amount of said tax, and an additional penalty of one-half (1/2) of one percent (1%) of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. Costs incurred by the Bureau in the collection of past due tax will be assessed in addition to interest and penalties.

SECTION 508 - FINES AND PENALTIES FOR VIOLATIONS

Any person who violates any provisions of the resolutions or ordinances shall upon conviction, be sentenced to pay a fine of not more than \$500.00 for each offense plus costs, and in default of payment thereof, to be imprisoned for a period not exceeding thirty (30) days. Some of the violations which may result in such conviction are:

- A. Failure by an individual to file a tax return.
- B. Failure by an employer, any partner of a partnership or any officer of a corporation or association to file any report or return, or to pay, deduct from wages, or transmit any tax, penalty or interest required of such person, partnership, corporation or association.
- C. Failure to maintain or reveal to the Bureau or its authorized representative, or to permit the latter to examine books, records or papers relevant to tax imposed hereunder.
- D. Knowingly making any incomplete, false or fraudulent report or return or attempting to do any other thing to avoid payment of the tax in whole or in part.
- E. Revelation for unauthorized purposes by any officer or employee of the Bureau or any taxing district of any confidential information acquired as a result of the operation of the resolutions, ordinances or these regulations.

SECTION 509 - CONCURRENT REMEDIES

Imposition of any fine or imprisonment shall not bar either civil liabilities for tax, penalty or interest or prosecution for embezzlement, fraudulent conversion of other offense under the penal code.

SECTION 510 - FAILURE TO RECEIVE FORMS

Failure of a taxpayer or employer to receive forms or returns required by the resolutions or ordinances shall not excuse any failure to file any reports or returns required or to pay any tax due.

SECTION 511 - FEES FOR SERVICES

The Bureau may charge fees for services provided to taxpayers based upon the prevailing fee schedule adopted by the Executive Committee.

SECTION 512 – DELINQUENT TAX COLLECTION COSTS

In addition to other costs, the following are costs that may be assessed against Taxpayers and Employers. Delinquent or nonpayment charges apply whenever: (1) The Bureau receives a check returned for insufficient funds; (2) the Bureau has not received by the due date full payment of all amounts owed, and/or a properly completed tax return and all supporting documentation required by these Regulations, tax return forms and instructions, or any other Bureau rules. All charges are cumulative. For example, if a check is returned for insufficient funds, the charge is \$20 for the check return plus \$15 for the first delinquent notice, for a total of \$35. If a second delinquent notice is sent on the same matter, the cumulative charge is \$50.

A. Employer accounts.

1.	Check returned for insufficient funds	\$ 20
2.	Non-filing Tax Return or support documentation (applicable for each quarter):	
	a. First delinquent notice (each notice)	\$ 15
	b. Second delinquent notice (each notice)	15
	c. Preparation of Criminal Complaint	50
	d. Preparation of re-filing Criminal Complaint due to non-compliance	50
3.	Unpaid Employer remittance of Employee Tax (applicable for each quarter):	
	a. First non-payment notice (each notice)	\$ 15
	b. Second non-payment notice (each notice)	15
	c. Payment schedule fee:	
	1) 0 – 6 months	20
	2) 6 – 12 months	30
	3) 12 – 18 months	40
	4) 18 months or more	50
	d. Preparation of Criminal Complaint	50
	e. Preparation of re-filing Criminal Complaint due to non-compliance	50
	f. Suit to collect tax or other appropriate remedy	Actual costs incurred (including attorney fees)

B. Individual accounts.

1.	Check returned for insufficient funds	\$ 20
2.	Non-filing Tax Return or support documentation:	
	a. First delinquent notice (each notice)	\$ 15
	b. Second delinquent notice (each notice)	15
	c. Preparation of Criminal Complaint	50
	d. Preparation of re-filing Criminal Complaint due to non-compliance	50
3.	Unpaid Tax:	
	a. First non-payment notice (each notice)	\$ 15
	b. Second non-payment notice (each notice)	15
	c. Payment schedule fee:	
	1) 0 – 6 months	20
	2) 6 – 12 months	30
	3) 12 – 18 months	40
	4) 18 months or more	50
	d. Wage attachment	50
	e. Suit to collect tax or other appropriate remedy	Actual costs incurred (including attorney fees)