

LANCASTER COUNTY EARNED INCOME TAX RETURN INSTRUCTIONS

◆◆Online Filing is available @ <https://efile.lctcb.org>◆◆

GENERAL INFORMATION:

This tax return covers the tax period from January 1, through December 31, and must be completed and filed with this bureau by April 15th. This is an earned income and net profits tax, levied by school districts and municipalities, collected by this Bureau, and distributed to the school district and municipality where you reside. The Bureau retains the right to request additional documentation to substantiate the information reported.

WHO MUST FILE:

All residents of Lancaster County and the Octorara Area School District in Chester County who were 16 years of age or older; not fully retired or had earned income at any time during the tax year. A tax return must be filed even if no tax is due or your employer(s) withheld all tax due. Failure to receive a tax return shall not excuse the taxpayer from filing a return, or paying any tax due. Tax return forms are available on our website, www.lctcb.org, or by contacting the Bureau.

INSTRUCTIONS FOR COMPLETING TAX RETURN

- If the information is not pre-printed, please provide your name, current address, city, state and zip code in the space(s) provided.
- If a taxpayer is to be removed from this form, draw a line through the taxpayer to be removed and check the appropriate box.
- If you are requesting an extension or filing an amended return check the appropriate box.
- Taxpayers reporting no earned income must check the applicable box.
- Check the appropriate filing status box.
- Complete the Part Year Resident Schedule on the reverse side of the return if you moved during the tax year. Account for all 12 months.
- Enter the municipal code from Table 1 for your residence as of December 31.
- **Enter your complete social security number(s) in the appropriate column(s).**

WHAT IS TAXED:

Locally taxable earned income is equal to "compensation" reported on line 1 of your PA State return, with the exception of clergy housing allowances, and active duty military pay. Locally taxable self-employment income is equal to "net income from the operation of a business" reported on line 4 of your PA State return, with the exception of S Corporation profits when reasonable compensation is made, or passive investments such as Publicly Traded Partnerships, oil and gas investments, etc. that you do not operate or control.

LINE BY LINE INSTRUCTIONS

- Line 1** Enter total gross earned income as indicated on your W-2(s). Include copies of W-2(s) when mailing return. **Report only income earned while a resident of our jurisdiction.** Examples of taxable and non-taxable income are listed in Table 2 on the reverse side. This is not, however, intended to be a complete listing. If you are not sure about a certain item, please contact the Bureau office for clarification.
- Line 2** Enter total business expenses (include supporting documentation Pennsylvania State Form PA-UE). Expenses for which an employee has not been reimbursed are allowable as a deduction from gross earned income, provided such expenses are allowable for Pennsylvania State Income Tax purposes. These expenses must be ordinary, necessary, and required by the employer in order for the taxpayer to keep his/her present job. Examples of business expenses are listed in Table 2 on the reverse side. This is not, however, intended to be a complete listing.
- NOTE: Business expenses reported without enclosing proper supporting documentation or schedules will be denied without notification to the taxpayer.
- Line 3** Enter earned income not reported on Line 1. Interest and dividends earned are not taxable and should not be included.
- Line 4** Enter the total of Line 1 minus Line 2 plus Line 3. If less than zero, enter zero.
- Line 5** Report all self-employment profits and include all supporting schedules (PA Schedule C, PA Schedule F and/or PA Schedule K-1). PA Schedule C-F is **not** acceptable. Report S Corp profits on reverse side of the return only.
- Line 6** Report all self-employment losses and include all supporting schedules (PA Schedule C, PA Schedule F and/or PA Schedule K-1). PA Schedule C-F is **not** acceptable. Report S Corp losses on reverse side of the return only.
- Line 7** Enter the total of Line 5 minus Line 6. If less than zero, enter zero.
- Line 8** Enter the total of Line 4 plus Line 7.
- Line 9** Enter the total of Line 8 multiplied by the decimal tax rate table (see Table 1 on the reverse side) Example $1.00\% = 0.01$, $1.75\% = 0.0175$
- Line 10** Enter the sum of the amount(s) recorded in the "LOCAL INCOME TAX" box of W-2(s). Credit for this amount will only be given if W-2(s) are provided with the filing. **Do not include Local Services Tax, Philadelphia City, and/or Other State credits.**
- Line 11** Enter the sum of quarterly payments, estimated payments and previous year's credit applied to this year.
- Line 12** Enter the total Philadelphia City and/or Other State credit. Refer to the instructions below and/or the worksheet on the reverse side of the return.
- Line 13** Enter the sum of Lines 10, 11 and 12.
- Line 14** Enter a value on this line only if Line 13 minus Line 9 is more than \$1.00.
- Line 15** Enter credit amount being applied in the column of the individual receiving the credit or overpayment and check the appropriate box. Failure to choose an option for your overpayment will result in a refund. LCTCB is required to report refunds/credits of \$10.00 or more to the Internal Revenue Service.
- Line 16** Enter a value on this line only if Line 9 minus Line 13 minus any credit from spouse that is more than \$1.00.
- Line 17** An additional penalty of one percent (1%) will apply to the amount of unpaid tax for each month, or partial month during which the tax remains unpaid.
- Line 18** Payment made after the due date will be subject to interest at the rate established for the tax year by the Commonwealth of PA., under Section 806.
- Line 19** Enter the total of Lines 16, 17 and 18. Acceptable forms of payment include check, money order, cash and credit cards. You may elect to pay by VISA, MasterCard, American Express or Discover cards. This service is available by going to our website, <http://www.lctcb.org> or by visiting the Bureau office. Credit card payments will incur a convenience fee.

Sign and date the tax return. Complete all information requested. Please provide a daytime telephone number in the event there are any questions about this filing.

Mailing Instructions: Mail your return and all appropriate documentation as follows:

Payments: LCTCB - PAYMENT • PO BOX 11444 • Lancaster, PA 17605-1444

Refund: LCTCB - REFUND • PO BOX 11445 • Lancaster, PA 17605-1445

No Payment/No Refund: LCTCB - NO PYMT/REF • PO BOX 11446 • Lancaster, PA 17605-1446

PHILADELPHIA TAX/OTHER STATE CREDIT INSTRUCTIONS

Other State (Line 12): Credit is limited to the combined resident tax rate as levied under Chapter 3 of the Local Tax Enabling Act. The credit will be applied only to the extent that the income taxed by the other State represents the income subject to the local tax. No credit will be allowed against compensation received in Maryland, Ohio, West Virginia, Indiana, New Jersey or Virginia which are reciprocal states.

Philadelphia City (Line 12): Credit is limited to the combined resident tax rate as levied under Chapter 3 of the Local Tax Enabling Act. The credit will be applied only to the extent that the income taxed by Philadelphia, represents the income subject to the local tax.

TABLE 1

SCHOOL DISTRICT MUNICIPALITY	MUNICIPAL CODE	PERCENTAGE TAX RATE	DECIMAL TAX RATE	SCHOOL DISTRICT MUNICIPALITY	MUNICIPAL CODE	PERCENTAGE TAX RATE	DECIMAL TAX RATE	SCHOOL DISTRICT MUNICIPALITY	MUNICIPAL CODE	PERCENTAGE TAX RATE	DECIMAL TAX RATE
COCALICO				EPHRATA AREA (CONT'D)				OCTORARA AREA (CONT'D)			
Adamstown Boro	360101	1.00%	0.010	Ephrata Boro	360703	1.00%	0.010	Christiana Boro	361307	1.00%	0.010
Denver Boro	360102	1.00%	0.010	Ephrata Twp	360704	1.00%	0.010	Sadsbury Twp	361308	1.00%	0.010
E Cocalico Twp	360103	1.00%	0.010	HEMPFIELD				PENN MANOR			
W Cocalico Twp	360104	1.00%	0.010	E Hempfield Twp	360801	1.00%	0.010	Conestoga Twp	361401	1.00%	0.010
COLUMBIA				E Petersburg Boro	360802	1.00%	0.010	Manor Twp	361402	1.00%	0.010
Columbia Boro	360201	1.00%	0.010	Mountville Boro	360803	1.00%	0.010	Martic Twp	361403	1.00%	0.010
CONESTOGA VALLEY				W Hempfield Twp	360804	1.00%	0.010	Millersville Boro	361404	1.00%	0.010
E Lampeter Twp	360301	1.00%	0.010	LAMPETER/STRASBURG				Pequea Twp	361405	1.00%	0.010
Upper Leacock Twp	360302	1.00%	0.010	Strasburg Boro	360901	1.00%	0.010	PEQUEA VALLEY			
W Earl Twp	360303	1.00%	0.010	Strasburg Twp	360902	1.00%	0.010	Leacock Twp	361501	1.00%	0.010
E Lampeter Twp Annex	360399	1.10%	0.011	W Lampeter Twp	360903	1.00%	0.010	Paradise Twp	361502	1.00%	0.010
DONEGAL				W Lampeter Twp Annex	360999	1.10%	0.011	Salisbury Twp	361503	1.00%	0.010
E Donegal Twp	360401	1.00%	0.010	LANCASTER				SOLANCO			
Marietta Boro	360402	1.00%	0.010	Lancaster City	361001	1.10%	0.011	Bart Twp	361601	1.65%	0.0165
Mount Joy Boro	360403	1.00%	0.010	Lancaster Twp	361002	1.00%	0.010	Colerain Twp	361602	1.65%	0.0165
Mount Joy Twp	360404	1.00%	0.010	MANHEIM CENTRAL				Drumore Twp	361603	1.65%	0.0165
EASTERN LANCASTER COUNTY				Manheim Boro	361101	1.00%	0.010	E Drumore Twp	361604	1.65%	0.0165
Brecknock Twp	360501	1.00%	0.010	Penn Twp	361102	1.00%	0.010	Eden Twp	361605	1.65%	0.0165
Caernarvon Twp	360502	1.00%	0.010	Rapho Twp	361103	1.00%	0.010	Fulton Twp	361606	1.65%	0.0165
Earl Twp	360503	1.00%	0.010	MANHEIM TOWNSHIP				Little Britain Twp	361607	1.65%	0.0165
E Earl Twp	360504	1.00%	0.010	Manheim Twp	361201	1.00%	0.010	Providence Twp	361608	1.65%	0.0165
New Holland Boro	360505	1.00%	0.010	OCTORARA AREA				Quarryville Boro	361609	1.65%	0.0165
Terre Hill Boro	360506	1.00%	0.010	Atglen Boro	361301	1.00%	0.010	WARWICK			
ELIZABETHTOWN AREA				Highland Twp	361302	1.50%	0.015	Elizabeth Twp	361701	1.15%	0.0115
Conoy Twp	360601	1.00%	0.010	Londonderry Twp	361303	1.25%	0.0125	Lititz Boro	361702	1.15%	0.0115
Elizabethtown Boro	360602	1.00%	0.010	Parkesburg Boro	361304	1.00%	0.010	Warwick Twp	361703	1.15%	0.0115
Mount Joy Twp	360603	1.00%	0.010	W Fallowfield Twp	361305	1.00%	0.010	OUT OF AREA			
W Donegal Twp	360604	1.00%	0.010	W Sadsbury Twp	361306	1.20%	0.012	Out of State	880000		
EPHRATA AREA				NOTE: For other areas in Pennsylvania, use the following link to locate your PSD code and tax rate http://munstats.pa.gov/Public/FindLocalTax.aspx							
Akron Boro	360701	1.00%	0.010								
Clay Twp	360702	1.00%	0.010								

TABLE 2

TAXABLE INCOME: <ul style="list-style-type: none"> Gross Wages and Salaries Commissions Bonuses Stock Options Early Retirement Distributions Deferred (Tax Sheltered) Contributions Net Income from Business, Farm, Limited Liability Company, Limited Liability Partnership, or General Partnership Executor and Director Fees Vacation Pay Separation Pay Union Pay Tips and Allocated Tips Regular Wages Received During Sickness or Disability Non Qualified Benefits Taxable Fringe Benefits Jury Duty Pay Stipends or Fellowships 	TAXABLE INCOME: (CONT'D) <ul style="list-style-type: none"> Compensation for Services Rendered Taxes Assumed by Employer Foreign Earnings Non-Compete Payments NON-TAXABLE INCOME: <ul style="list-style-type: none"> Interest Income Dividends Capital Gains S Corporation Profits in Excess of Services Rendered (Except for Wages and Salaries) Pension Benefits Annuities and IRA Benefits Third Party Sick Pay or Disability Benefits Social Security Benefits Unemployment Benefits Ordained Clergy Housing Allowance Public Assistance Benefits 	NON-TAXABLE INCOME: (CONT'D) <ul style="list-style-type: none"> Lottery Winnings Life Insurance Policy Proceeds Workers Compensation Meals and Lodging for Employers Convenience Rental Income ALLOWABLE BUSINESS EXPENSES: <ul style="list-style-type: none"> Union Dues Professional Dues and License Fees Cost of Small Tools Uniforms and Work Clothing not Suitable for Everyday Use Educational Expenses Required by Your Employer in Order to Keep Your Current Job or Position Expenses Properly Deductible on The PA Income Tax Return 	NON-ALLOWABLE BUSINESS EXPENSES: <ul style="list-style-type: none"> Child Care Expenses Club Dues or Fees Medical Expenses Charitable Contributions Taxes Employment Fees Sabbatical Leave Expenses Educational Expenses NOT Required By Your Employer Contributions To Retirement, Pension, or Salary Reduction Plans Insurance Premiums Moving Expenses-Unless Required By Your Employer
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SPECIAL INSTRUCTIONS

Extension Requests An extension of time does not extend the time to pay the earned income tax. Time to file will be extended to October 15th, provided the following are adhered to: (1) the box in this section is marked with an "X", indicating a request for additional time to file; (2) the extension request is received on or before the original due date; (3) an estimated payment is included with this initial filing.

Amended Returns Check box on the front of the return and complete the return in its entirety. Provide all supporting documentation.

Blended Tax Rate (Line 9): If your tax rate changes during the year, the tax rate applied to Earned Income and Net Profits will be a blended rate based on the number of full months each rate applies. The blended tax rate calculator is available on our website, www.lctcb.org. The blended rate will be calculated by dividing each tax rate by the number of months you resided in LCTCB's jurisdiction, multiplied by the number of months applicable. If you lived in LCTCB jurisdiction the entire year, divide by 12. The result of each applicable tax rate will be added to determine the blended rate to apply 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 for the month. This calculation applies to:

- Tax rate change by taxing district
- 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.

Lancaster County Tax Collection Bureau collects the earned income/net profits tax for the school districts and municipalities listed on the instructions sheet. If you were a resident of any of the municipalities or school districts for all or any portion of the tax year, you are required to file a written form with this tax bureau.

Taxpayers Bill of Rights Notice: You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local earned income and net profits taxes by requesting the Taxpayers Bill of Rights Disclosure Statement. To obtain a copy, call LCTCB at (717) 569-4521, or send written request to LCTCB, 1845 William Penn Way, Suite 1, Lancaster, PA 17601-6713 or visit our website at www.lctcb.org.

FOR ASSISTANCE WITH YOUR EARNED INCOME TAX RETURN:

Phone: (717) 569-4521 • Website: www.lctcb.org

Office: 1845 William Penn Way, Suite 1 • Lancaster, PA. 17601

PLEASE CALL FOR OFFICE HOURS.