

To: All Employees

From:

Date:

Subject: **Important Information Regarding Pennsylvania Local Earned Income Tax - Act 32**

Pennsylvania Act 32 ("Act 32"), signed into law by Governor Edward G. Rendell, consolidates the collection of local earned income taxes and imposes new withholding requirements on employers.

In order to comply with the 2011 reporting requirements of Act 32, employers must obtain a Residency Certification from all employees. Beginning in 2012, employers will be required to withhold Pennsylvania local tax at the greater of the employee's resident rate or the nonresident rate for the employee's workplace.

This certification is important because it provides the municipality, and most importantly the Political Subdivision codes (PSD) for the employee's residence and work location. These PSD codes are used to determine correct tax withholding, and must be reported on employer information returns. Therefore, we need all employees to complete the enclosed Residency Certification form by \_\_\_\_\_, (date here) as directed below.

**Filling out the Residency Certification form:**

1. Complete the section of the form labeled "**Employee Information – Residence Location**".
  - Enter all required fields especially the Municipality and School District and County.
  - The gray sections of the form will be completed by payroll staff.
  - Enter only the last 4 digits of your Social Security Number
2. **The Employer Section should contain your PRIMARY work location address and information.**
3. Please write legibly, sign and date the form.
4. Return the completed form to the Payroll Office no later than \_\_\_\_\_

**If you are unsure of your resident tax jurisdiction**, contact your local municipality **or** use the Pennsylvania Department of Community and Economic Development's database. In this database you enter your resident (home) address and it will return tax information including the PSD code –The database can be found at:

<http://munstatspa.dced.state.pa.us/FindLocalTax.aspx>

The Department of Community and Economic Development recommends confirming the information provided by this database with your municipality to assure that your resident address falls within their geographic boundaries.