**ACT 32 EIT CHECKLIST FOR SMALL EMPLOYERS**

If ALL of these statements are TRUE, you can use this form. If not, please consult your tax

Preparer:

The employer or business is located in Pennsylvania.

The employer or business has only ONE location.

The employer or business is NOT located in Philadelphia.

1. Identify the tax collection district (TCD) and the appointed tax collector where the business is located. Use the “Find Your Withholding Rates by Address” page on the DCED website at <http://munstats.pa.gov/Public/FindLocalTax.aspx>. Fill in the business street address in the “Enter Your Work Location Address” area. You can click "copy from work" in the home area since this information is not important. Click on “View Report”. Print this page, making a note of the NONRESIDENT Earned Income Tax (EIT) tax rate.

2. Download the Residency Certification Form available at <http://www.newpa.com/download/residency-certification-form-local-earned-income-tax-withholding-pdf/?wpdmdl=57773>

3. The business or employer should fill in the middle section entitled “Employer Information - Employment Location”, being sure to fill in the PSD (political subdivision) code and non-resident EIT rate found in Step 1. Make copies of this form with the middle section filled out and give to each employee.

4. Have every employee complete the top “Employee Information - Residence Location” section of the Residency Certification Form (white portions only). The employee should also complete the bottom “Certification” section.

5. Once the employee has completed and returned the form, determine the taxing district for the gray boxes on the top part “Employee Information - Residence Location” of the form. If an employee does not know the Municipality or County s/he lives in, you will need to find this information, as well as the political subdivision (PSD) six digit code and resident tax rate to fill in the shaded gray boxes on the form for each employee. Please

go to the PA DCED website to obtain this information at <http://munstats.pa.gov/Public/FindLocalTax.aspx>. You will need to allow pop-ups on your web browser to get the report.

6. Compare the NONRESIDENT EIT rate for the business PSD and the employee’s RESIDENT EIT rate for each employee.

7. For each employee, withhold the HIGHER of the two EIT rates – either the nonresident EIT rate for the business location OR the employee’s resident EIT rate where the employee lives.

8. If your business is not already registered for EIT withholding, determine whether there is any EIT where the business is located OR where ANY employee lives. If both rates are not zero, you must register and withhold the tax. When either of these rates is not zero, the employer must register with the tax collector within 15 days and withhold tax.

9. Single-location businesses must file quarterly a detail of all employees, including their exact home address, their earnings, resident PSD code, and the EIT withheld for the quarter. The collected taxes must be remitted with this filing. You will be sent a new form for reporting and remitting your first quarter 2012 tax.

The Local Tax Information page of the DCED website is <http://www.newpa.com/local-government/local-income-tax-information/#axzz41m5bbD73>