

Berks Earned Income Tax Bureau

located on the lower level of the
AAA Building – Reading/Berks Auto Club
at 920 Van Reed Road, Wyomissing PA 19610.

Office hours are 8:00 AM to 5:00 PM

Monday through Friday

Telephone Number 610-372-8439 Toll Free 1-855-372-8439

Email beitb@berkseit.com

Frequently Asked Questions

MOVED DURING THE YEAR

Partial year residents should list the date they moved into or out of our jurisdiction on the reverse side of the tax return. Your most current address should be listed under the New address on the front of the tax return. This will ensure that all future correspondence, including refunds, are mailed to the proper address.

PART YEAR RESIDENTS

I ONLY LIVED HERE PART OF THE YEAR. HOW AND WHERE SHOULD I FILE?

You would need to file a return with each tax office where you lived. Ex: If you lived in Berks EIT Bureau's taxing jurisdiction for 3 months and the City of Allentown 9 months, you would need to file both places reporting 3/12 of your income and tax withheld to Berks EIT Bureau and 9/12 to the City of Allentown. All amounts used should be prorated (wages, tax withheld, net and employee business expense, profit/losses). If you use prorated wages, you cannot use full taxes withheld. You do not receive a refund from our tax office and then pay Allentown. The City of Allentown would place a claim with us to get their portion of the tax withheld if we received all of it based on your tax filing with them. The Proration Worksheet on the reverse side of the tax return must be used for all prorated tax returns.

REFUNDS

No refunds are given for **Philadelphia/Pittsburgh** withheld tax as no reciprocal agreement is in tact. These two cities keep all tax withheld. Any refunds for tax withheld in Philadelphia/Pittsburgh should be directed to that municipality.

If a municipality is declared **distressed** by the State of PA and has no agreement to remit the additional tax withheld at the higher rate over 1%, this also will not be refunded as the additional tax will not be forwarded to Berks EIT Bureau.

Out of state tax will not be refunded as it cannot be obtained. Up to 1% of the individual's wages taxed by another state can become eligible for credit toward the individual's tax liability. The resident would not have to pay the tax twice even though Berks EIT Bureau cannot claim any of the tax. PA Schedule G Forms are required for each out of state tax credit taken. The Out of State Credit Worksheet on the reverse side of the tax return must be completed.

DOCUMENTATION

Due to the passage of Act 166 by the State of Pennsylvania, PA state forms should be used to verify net profit or losses and employee business expenses. If the taxpayer does not have access to these state forms, they can be obtained through the state website, www.revenue.state.pa.us .

Any amount listed on the tax return **MUST HAVE** readable paperwork submitted to verify the amount used. If only one form is received, such as a 1099 or W-2s, a copy can be made and remitted with the tax return. Sometimes reportable earned income may come about with an unusual circumstance for which no paperwork is received. This income would be reported on line 5 as other earned income.

I DO NOT HAVE ENOUGH COPIES OF THE W-2/1099 FORMS? If you are short copies, make a copy and remit that with your tax return. Verification must be remitted to verify all amounts used. Appropriate schedules must also be attached to verify all net employee business expenses.

I FILED ELECTRONICALLY AND DO NOT HAVE AN EMPLOYEE EXPENSE FORM TO SUBMIT. CAN I STILL USE THE DEDUCTION? No! YOU MUST SUBMIT a Pennsylvania form PA UE to verify the employee expense deduction or the deduction will not be allowed. You MAY NOT substitute a Federal form 2106. If you did not receive this form from the state, it can be downloaded off the Internet by going to the website www.revenue.state.pa.us and clicking on Forms and Publications. All required state forms can be obtained through this website. STATE FORMS must be used for net profits and losses also. Federal forms should not be used.

LATE FILING

WHAT SHOULD I DO IF I CANNOT FILE BY THE DUE DATE? A copy of your federal extension Form 4868 along with an estimated payment must be postmarked by the April 15th due date. When you do file your return, be sure to attach copies of the federal extensions and note your estimated payments on your tax return. Any balance due would be subject to penalty and interest. The postmark on the envelope is what determines if the tax return was filed on time.

HOW DO I CALCULATE PENALTY AND INTEREST? If you file after April 15, and owe tax, add penalty and interest at the combined rate of 1% per month on the unpaid balance.

WHAT HAPPENS IF I HAD EARNED INCOME AND DID NOT FILE? All returns not filed when due, can become subject to additional cost collection fees. A copy of the Cost Collection Fees Schedule is available upon request.

UNPAID BALANCE

WHAT ARE MY OPTIONS FOR PAYING UNPAID BALANCES? Checks or money orders should be made payable to "Berks EIT Bureau". Unpaid balances can be paid by cash in our office. **Credit Card payments** are also accepted through, our third party agent, Official Payments Corporation. Refer to the instruction sheet which accompanied your tax return.

RETIRED

Taxpayers who are retired but working part time must still file a local tax return.

I AM RETIRED BUT WORK PART TIME. DO I HAVE TO FILE? You must file if you are working for an employer or are self-employed.

I AM TOTALLY RETIRED. DO I STILL HAVE TO FILE? If you received a tax form from our office, you still need to file that form. On it, you should indicate that you are retired and you will be coded as retired and will no longer receive a tax form. If you should go back to work or become self employed again, you would need to notify our office so that the retired code would be removed and a tax return would be mailed to you. If you did not receive a tax return and previously notified us that you were retired, you do not need to file.

STUDENTS

MY CHILD IS IN SCHOOL. MUST THEY FILE? If they have earned income regardless of where it is earned but are still a legal resident of Berks EIT Bureau's taxing jurisdiction (EX: per drivers license) they must report their income and file a tax return. There is no age limit.

UNION TOWNSHIP RESIDENTS

Berks EIT Bureau is the local earned income tax collector for the Daniel Boone Area School District's portion only. This results in all Union Township residents being required to file two (2) local tax returns. One with Berks EIT, for only the school district's one half percent share of the tax; the other, for the municipal share must be filed with their collector, Berkheimer Assoc. When filing for the school district's share only, all instructions remain the same except when calculating tax and tax withheld. These are calculated at the one half percent rate. Form W2(s) that indicate 1% withheld, will be given credit for only half, not the full 1%.

ESTIMATED PAYMENTS

If a resident is self employed or working for an employer who is not required to withhold the local wage tax due to the employer's physical location, the resident may make quarterly estimated tax payments. Payment form packets and instructions are available upon request.

TAXABLE INCOME

Every full year or partial year resident must file a local tax return if they have earned income regardless of age. Interest, dividends, social security, capital gains, lottery winnings, unemployment, 3rd party sick pay, insurance proceeds, gifts, bequests, inheritances and duty pay are not taxable.

ARE INTEREST AND DIVIDENDS TAXABLE? No! Also not taxable are unemployment benefits, social security, capital gains, lottery winnings, inheritances and wages earned while on active military duty. See **NON TAXABLE INCOME** on the back of the tax return for additional listing.

PHILADELPHIA WAGES

HOW DO I REPORT PHILADELPHIA WAGES AND TAX WITHHELD?

You must use the Philadelphia Tax Credit Worksheet located on the reverse side of the tax return to receive credit for these wages taxed by Philadelphia.

PITTSBURGH WAGES

HOW DO I REPORT PITTSBURGH WAGES AND TAX WITHHELD? All wages must be reported on the Berks EIT Bureau return. Credit can not be taken for tax paid to Pittsburgh. You should apply to the City of Pittsburgh for a refund of this tax withheld in error.

OUT OF STATE INCOME

I LIVE IN BERKS EIT BUREAU'S TAXING JURISDICTION BUT WORK OUT OF STATE. DO I REPORT THIS INCOME? Yes. You must report all income regardless of where it is earned. The Out of State Credit Worksheet located on the reverse side of the tax return should be completed to determine if any credit is available.

NO EARNED INCOME

I DIDN'T HAVE ANY INCOME BUT AM NOT RETIRED. DO I STILL NEED TO FILE A TAX RETURN? If you received a tax return from our Earned Income Tax Office, you must file the return. On Line 8 of the tax return, write "no earned income". On Line 9 write the reason such as housewife, student, unemployed, disability, etc. If spouses are filing jointly on the same return and one spouse does not have income, the joint return should still be used and signed by both residents.

PROFIT/LOSS

IF ONE BUSINESS HAS A PROFIT AND THE OTHER HAS A LOSS, CAN I ENTER THE NET? No! There are designated lines on our tax return for net profits and net losses. The lines are positioned as they are because a net loss may only be taken against a net profit. One person's loss can not offset his/her spouse's net profit.

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