

CITY OF SCRANTON

Scranton School District

441 Wyoming Avenue • Scranton, Pennsylvania 18503

Phone (570) 963-6756

www.single-tax.scranton.pa.us



Marilyn Vitali Flynn
Collector of Taxes

Employer's Withholding of Earned Income Tax & Local Services Tax

CONTENTS:

Instructions for Form 501 - EIT	(12)	EIT Returns (Form 501)
Instructions for Form LST	(4)	Quarterly Forms (LST)
Instructions for Form W-1 EIT	(4)	Quarterly Forms (W-1) EIT
Instructions for Form W-3 LST	(1)	Form W-3 LST
Instructions for Form W-3 EIT	(1)	Form W-3 EIT
	(1)	Change / Correction Form
	(1)	Final Termination Report

Instructions For FORM 501 - EIT

FORM 501 is for use by employers to report more often than quarterly, the Earned Income Tax that has been withheld from resident and non-resident employee's gross earnings. These monies should be submitted according to the following schedule: If withholding is \$2,000.00 or more for the quarter, file semi-monthly. If withholding is \$200.00 to \$1,999.99 for the quarter, file monthly. If taxes are less than \$200.00, file quarterly.

Deposits and Due Dates: Semi-Monthly -- Shall be due 3 days after the 15th and the last day of the month.
Monthly -- Shall be due the 15th of the following month.
Quarterly -- Shall be due the last day of the following month (see form W-1).

Earned Income Tax: Employers are required by law to withhold 3.4% on ALL residents and 1% on ALL non-residents.

Instructions For FORM LST

Local Services Tax (LST): Employers are required by law to withhold \$1.00 per week for a total of \$52.00 per year on all employees that are not exempt (for information on exemptions and all other LST questions please see our website). Monies are to be submitted quarterly as follows 1st quarter by April 30, 2nd quarter by July 31, 3rd quarter by October 31 and 4th quarter by January 31. Late payments will incur a penalty of 5% and interest and penalty will be computed at ½% per month. Further, a fine of not less than \$500 per offense may be levied upon any employer who fails or refuses to withhold and remit this tax.

THE EMPLOYER IS RESPONSIBLE TO FILE AND PAY THESE TAXES IN FULL FOR EACH EMPLOYEE WHETHER OR NOT THEY MAKE COLLECTION FROM THE SALARY, WAGES OR COMMISSIONS PAID TO SUCH EMPLOYEE.

Instructions For FORM W-1 EIT

QUARTERLY RECONCILIATION OF WITHHOLDING TAX:

Employers are required to file a reconciliation return for each quarter. These returns must be received on or before the last day of April, July, October and January for the quarters ending the last day of March, June, September and December and be accompanied by a detailed listing.

MONTHLY AND SEMI-MONTHLY FILERS:

Must submit the coupon listing all payments made for the quarter being filed. This will reconcile the quarter.

QUARTERLY FILERS:

Must submit the coupon with their payment for the quarter.

INTEREST AND PENALTY:

If any amount of tax required to be withheld is not reported and paid in full on or before the payment due date, interest and penalty will be charged at the rate of 1/2% percent per month each or 1% per month total.

OVERPAYMENTS AND REFUNDS:

Verified overpayments will be credited to the next quarter. If a cash refund is desired, the request must be in writing.

WHERE TO FILE:

All filings, payments and refund requests should be mailed to:

Collector of Taxes
441 Wyoming Avenue
Scranton, PA 18503

Instructions For Form W-3 LST (Reconciliation)

1. The Tax Office copy of this annual reconciliation form should be filed on or before the last day of February.
2. A computer report, Excel spreadsheet or other detailed report must accompany this form. The required information is name, address, Social Security Number and total LST withheld for the year.
3. W-3 LST filing should be submitted with the W-2/W-3 EIT filing.
4. The reconciliation form is to be returned to the Tax Office even if you withheld no earned income tax during one or more quarters of the calendar year applicable to this filing.

NOTE: The total tax withheld figure on Line 7 should agree with total tax paid on Line 6. Compare the two totals. If the difference exceeds \$1.00, adjust your payment for the 4th quarter accordingly or submit payment with W-2/W-3 filing. Differences of less than \$1.00 are acceptable.

Instructions For FORM W-3 EIT (Reconciliation)

1. The Tax Office copy of this annual reconciliation form should be filed on or before the last day of February. This form must be accompanied by the following: Form W-2 for each employee from whom earned income tax has been withheld and a form 1099M for each person for which one was issued. W-2 information may also be filed on a spreadsheet - as long as all required information is included. Required information is: name, address, Social Security Number, total local wages and total local tax withheld.
2. **We do encourage employers to list not only the address of the employees, but also the specific municipality if different than the town listed in the address.**
3. A computer report or adding machine tape or total should be included with paper W-2s as proof of the total.
4. W-3 reconciliation forms should be included in same package as W-2s.
5. The reconciliation form is to be returned to the Tax Office even if you withheld no earned income tax during one or more quarters of the calendar year applicable to this filing.

NOTE: The total tax withheld figure on Line 7 should agree with total tax paid on Line 6. Compare the two totals. If the difference exceeds \$1.00, adjust your payment for the 4th quarter accordingly or submit payment with W-2/W-3 filing. Differences of less than \$1.00 are acceptable.

Form 501 - Employer's Periodic Payment of EIT (Earned Income Tax)

**TAX YEAR
FORM 501
EIT**

Employer Name:	Contact:	Year:
Account Number:	EIN:	Phone:
		Quarter:

ACCOUNT NO. ↗

PERIOD ENDING ↗

DATE MAILED ↗

CHECK NUMBER ↗

TAX WITHHELD ↗

+/- PRIOR PERIOD
ADJUSTMENT ↗

PAYMENT TOTAL ↗

	RESIDENTS	NON RESIDENTS
1. Gross Compensation	\$	\$
2. Tax Rate		
3. Earned Income Tax Withheld	\$	\$
4. Prior Period Adjustment	\$	\$
5. Interest (1/2% per month)	\$	\$
6. Penalty (1/2% per month)	\$	\$
7. Total Payment	\$	\$
8. Total EIT Amount Paid	\$	

I declare under penalties provided by Law that I have examined this completed Return and it is true and correct to the best of my knowledge.

 X

NO LIST REQUIRED.

TITLE:

Form LST - Quarterly Reconciliation of Local Services Tax

TAX YEAR
Form W-1
LST

Employer Name:		Contact:	Year:
Account Number:	EIN:	Phone:	Quarter:

PERIOD ENDING ↗

DATE MAILED ↗

CHECK NUMBER ↗

TOTAL COMPENSATION ↗

LST TAX WITHHELD ↗

PAYMENT TOTAL ↗

Pay Period Ending	LST Withheld:	LST Withholding	
1	\$	1. Total # Employees	\$
2	\$	2. Total LST Withheld	\$
3	\$	3. Interest (1/2% per month)	\$
4	\$	4. Penalty (1/2% per month)	\$
5	\$	5. Total LST Due	\$
6	\$		
7	\$		
Total LST Withheld for Qtr.:		\$	Total Quarterly LST Payment \$

I declare under penalties provided by Law that I have examined and completed this Return and it is true and correct to the best of my knowledge.

 X

**TAX YEAR
FORM W-1
EIT**

Form W1 - Quarterly Reconciliation of EIT (Earned Income Tax)

PERIOD ENDING ↗

DATE MAILED ↗

CHECK NUMBER ↗

TOTAL COMPENSATION ↗

WAGE TAX WITHHELD ↗

DEPOSITS ↗

OVERPAYMENT ↗

PAYMENT TOTAL ↗

Employer Name:		Contact:	Year:
Account Number:	EIN:	Phone:	Quarter:

Pay Period Ending	EIT Withheld: Resident	Non-Resident	EIT Withholding	Resident	Non-Resident
1	\$	\$	1. Total Compensation	\$	\$
2	\$	\$	2. Total EIT Withheld	\$	\$
3	\$	\$	3. Interest (1/2% per month)	\$	\$
4	\$	\$	4. Penalty (1/2% per month)	\$	\$
5	\$	\$	5. Total EIT Due	\$	\$
6	\$	\$	6. Total EIT Deposits	\$	\$
7	\$	\$	7. Prior Period Adjustment (+/-)	\$	\$
Total EIT Withheld for Qtr.: \$			Total Quarterly EIT Payment \$		

I declare under penalties provided by Law that I have examined and completed this Return and it is true and correct to the best of my knowledge.

X

Form W3 - Annual Reconciliation of EIT (Earned Income Tax)

**TAX YEAR
FORM W-3
EIT**

Employer Name:		Contact:	Year:
Account Number:	EIN:	Phone:	Quarter:

DATE MAILED ↙

NUMBER W-2 RECORDS ↙

TOTAL NON-RESIDENT
TAX WITHHELD ↙

TOTAL RESIDENT
TAX WITHHELD ↙

TOTAL TAX WITHHELD ↙

<i>EIT WITHHOLDING:</i>	RESIDENTS	NON RESIDENTS	TOTALS:
1. Total # of W2s:	Total # Resident W2s:	Total # Non-Resident W2s:	Total # W-2s:
2. Quarter 1 Payment	\$	\$	\$
3. Quarter 2 Payment	\$	\$	\$
4. Quarter 3 Payment	\$	\$	\$
5. Quarter 4 Payment	\$	\$	\$
6. Total Tax Paid	\$	\$	\$
7. Total Tax Withheld	\$	\$	\$
Total EIT Due:	\$	\$	\$

I declare under penalties provided by Law that I have examined this completed Return and it is true and correct to the best of my knowledge.

X

TITLE: _____

of 1099s ISSUED:

TOTAL \$ FROM 1099s: \$

To Be Filed With W-2s

MAIL TO: Collector of Taxes
441 Wyoming Avenue • Scranton, PA 18503

CHANGE / CORRECTION FORM

CURRENT INFORMATION		CORRECT INFORMATION	
Federal EIN		Federal EIN	
Tax Office Account #		Tax Office Account #	
Name and Address		Name and Address	
Signature	Title	Date	Telephone Number ()

MAIL TO: Collector of Taxes
 441 Wyoming Avenue • Scranton, PA 18503

**FINAL REPORT IF
 BUSINESS IS TERMINATED**

CURRENT INFORMATION	CORRECT INFORMATION / NEW OWNER INFORMATION
Federal EIN	Federal EIN
Tax Office Account #	Tax Office Account #
Name and Address	Name and Address
REASON FOR FINAL REPORT: (check one) <input type="checkbox"/> Business closed or sold <input type="checkbox"/> No longer have taxable employees <input type="checkbox"/> No employees <input type="checkbox"/> Other	Date of Last Payroll _____ / _____ / _____ EFFECTIVE DATE OF NEW EIN _____ / _____ / _____
Signature	Title _____ Date _____ Telephone Number ()