

# PALMER TOWNSHIP EARNED INCOME TAX OFFICE

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Web Site: [www.palmertwp.com](http://www.palmertwp.com)

Hours: Mon-Fri 8:30-4:30

Dear Taxpayer:

The Palmer Township Earned Income Tax Office would like to review the local one percent tax with you, the taxpayer. In doing so, we feel there will be a better understanding of what this tax is, especially for new residents. Please see below, the most commonly asked questions.

**Q What is the local one percent tax?**

A This is a one percent earned income tax based on your gross income which is required by law.<sup>i</sup>

**Q Who is responsible for this tax?**

A If employed, part/full-time, you are required to pay one percent of your annual gross earned income.

**Q Are students working part-time exempt?**

A No, anyone with earned income is liable and responsible for filing a tax return.

**Q What is my one percent payment used for?**

A One-half percent is applied to Palmer Township (roads/parks maintenance; snow/leaf removal, ect.)  
One-half percent is applied to the Easton Area School District.

**Q Do I have to pay one percent on my pension, social security, disability or unemployment income?**

A No, none of these are applicable. It only applies to earned income.

**Q How do I pay my one percent tax?**

A Most often, your employer can withhold this money.

**Q How do I know my employer is withholding my local tax?**

A This should be reflected on your pay stub under local or city income tax.

**Q How can I be sure it is withheld, and what do I do if the wrong percentage is being withheld?**

A Verify this with your employer and have them rectify any errors.

**Q What happens if my employer does not withhold my one percent local tax?**

A You have two options:

1. You may check with your payroll department to see if they are willing to withhold for you.
2. If not, you are required to make estimated quarterly payments if your annual income exceeds \$30 thousand.

**Q How do I make these estimated quarterly payments?**

A Once we receive the completed questionnaire, your account is set-up to receive the forms in the mail. After the initial mailing, the annual mailing will be in January. It is your responsibility to make these payments; you will **not** receive any billings from this office.

**Q When are these payments due?**

- A 1. If self-employed, payments are due on or before:
- |                                   |   |
|-----------------------------------|---|
| 1 <sup>st</sup> qtr.-due April 30 | 3 <sup>rd</sup> qtr.-due October 31                         |
| 2 <sup>nd</sup> qtr.-due July 31  | 4 <sup>th</sup> qtr.-due January 31 (of the following year) |

2. Your employer does not withhold (considered an out-of-state employee)
- |                                   |   |
|-----------------------------------|---|
| 1 <sup>st</sup> qtr.-due April 30 | 3 <sup>rd</sup> qtr.-due October 31                         |
| 2 <sup>nd</sup> qtr.-due July 31  | 4 <sup>th</sup> qtr.-due January 31 (of the following year) |

**Q What should I do if I need to make estimated quarterly payments and have not received my forms?**

A Please contact our office to request forms and rectify your account.

**Q What happens if I do not pay the estimates on time?**

A You will incur penalty/interest charges of one percent per month after the due date and a ten-dollar late fee for each quarter.

**Q How do I calculate these payments?**

A Take one percent of your estimated annual **gross** wages and divide this figure by four to arrive at your quarterly payment. This will include any deferred savings plan. Actual reconciliation of your account will occur on your final return.

**Q How does the local tax apply to New York employment?**

A We use a specific formula in which you are entitled to an “out of state credit”. Once we receive your questionnaire you will be sent a letter and worksheet concerning this. You do not need to make estimated payments at this time.

**Q How does this tax affect me at the end of the year?**

A You are required to file a final local tax return, which is mailed to you in January and due by April 15.

**Q Where do I send my final tax return/payments?**

A Palmer Township Earned Income Tax Office (see address at top of page 1).

**Q Do I need to file if I do not owe any additional monies and my balance due Palmer Township is zero?**

A YES, the law requires that you file regardless of the amount.

**Q How does local tax apply if I have been a partial resident?**

A You will need to pro-rate the amount of months due Palmer Township. To arrive at this figure; calculate one-percent of your annual **gross** / twelve months \* actual months resided in Palmer Township.

**Q What happens if I don't file on time?**

A You will incur penalties/interest of one-percent per month after the due date on monies owed and a ten-dollar late fee.

**Q What happens if I don't file at all?**

A You will receive a delinquent tax notice, and if there is no response it will be forwarded to the District Court resulting in additional costs/fines.

If we can be of any further assistance, please contact our office. Thank You.

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<sup>i</sup> PA Law Act 511