

TAXABLE INCOME ITEMS

Salaries	Scholarships/Fellowships (May be taxable or non-taxable)
Wages	Prizes/Awards (May be taxable or non-taxable)
Bonuses	Stipend (May be taxable or non-taxable)
Commissions	Stock Bonus Plans
Back Pay	Stock Options
Severance Pay	Taxes assumed by the employer on behalf of the employee
Tips and Allocated Tips	Cafeteria Plans (Taxable portion: Any Benefits other than Health Care)
Gratuities	Deferred Compensation Plans
Fees (Includes, but not limited to, Director Fees Executor's/Administrator's/Probate Fees)	Lump Sum Distributions (Pre-retirement—Only that Portion not already taxed – If not rolled into another retirement plan).
Overtime Pay	Deceased Taxpayers Wages or Earnings
Incentive Payments	Dependent Care Assistance
Early Retirement Incentive Payments	Non-Cash payment for services rendered
Reserve and National Guard <u>Inactive Duty Pay</u>	Non-compete agreements
Stand-By Pay	Non-qualified Deferred Compensation Plans
Golden Parachute Payments	
Clergy Pay	
Sick Pay/Disability (Only if continuation of Regular Wages)	
Retroactive Wage Increases	
Salary Advances	
Mortgage Assistance (In lieu of other compensation)	
Moving Expense Reimbursement (If not required by your employer Any/or any excess of allowable expense)	

NON-TAXABLE ITEMS

Active Duty Military pay	Rental Income (On Schedule E)
Cafeteria Plans (Health Care Portion Only)	Sick Pay (Third Party)
Clergy Housing	Short Term/Long Term Disability (Third Party)
Personal Use of Company Vehicle	Strike Benefits
Group Term Life Insurance	Worker's Compensation Benefits
Jury Duty Pay	Unemployment Compensation

Hanover Area Earned Income Tax Bureau collects the earned income/compensation tax and the net profits tax for the following school districts and municipalities. If you were a resident of any of the listed municipalities and school districts for all or any portion of the tax year, you are required to file a return with this bureau.

South Western School District

Penn Township
W. Manheim Township
Manheim Township

Hanover Public School District

Hanover Borough

LOCAL TAXPAYER BILL OF RIGHTS NOTIFICATION

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes. Information pertaining to the Local Taxpayer Bill of Rights can be obtained during the business hours of 8:30 A.M. to 4:30 P.M. or by contacting:

Tax Administrator
Hanover Area Earned Income Tax Bureau
11 Baltimore Street
Lower Level
Hanover, PA 17331
Telephone (717) 632-8288

INSTRUCTIONS FOR COMPLETING AND FILING FORM T-4 FINAL RETURN WAGE AND PROFIT TAX.

**Hanover Area Earned Income
Tax Bureau**
11 Baltimore St. - Lower Level
Hanover, PA 17331-3195

Telephone: (717) 632-8288
Fax: (717) 632-0208

Office Hours: 8:30 - 4:30
Monday - Friday

This return is due on or before April 15th of each year. There are penalties and interest charges after the above date as well as a late filing charge of \$5.00 regardless of whether or not a payment is due. All returns are subject to audit.
Bad Check charge of \$30.00

WHO IS SUBJECT TO THE TAX?

Residents of Hanover Borough and Townships of Penn, Manheim and West Manheim regardless of where income is earned.

- PARTIAL YEAR RESIDENT:** If you have moved after Jan. 1st you are liable for the tax while a resident of the district. Complete form T4, based on income received while a resident of the district, and return it with the exemption certificate filled in at the bottom of the return to the Wage Tax Office.
- PRIOR YEAR RESIDENT:** If you have moved prior to Jan. 1st you should return the Form T4 to the Wage Tax Office with the Exemption Certificate filled in at the bottom of the return.

WHAT SHOULD A RESIDENT DO IN THE EVENT HE HAS NO TAXABLE INCOME TO REPORT?

Complete lines 1, 4, and 5 on T4. After Line 2A write "NONE", sign and return the form to the tax office.

SHOULD A HOUSEWIFE OR RETIRED PERSON FILE A RETURN?

YES. An individual must file, reporting no income, for 3 consecutive years before their name will be dropped from the Tax roles. However, if they go back to work after that 3 year period they will be reinstated and expected to file.

WHAT ARE THE EXEMPTIONS IN REGARDS TO THE AGE OF THE INDIVIDUAL AND THE AMOUNT EARNED?

No exemptions are provided for age or the amount earned.

WHAT INCOME IS TAXABLE?

- Salaries, wages, commissions and other compensations such as bonuses, executor fees, profit sharing, and tips earned from Jan. 1st through Dec. 31st of year. **SEE ADDITIONAL SHEET FOR TAXABLES UNDER ACT 166.**
- Net Profits earned by individuals, subject to the tax, from professions and unincorporated businesses from Jan. 1st through Dec. 31st of each year. Profits from an unincorporated business operating on a fiscal year are those earned on the fiscal closing date in the current taxable year.

CONTRIBUTIONS TO: Ira, Keough, TSA,, 401-K and other pension plans are not exempt from local wage taxes. These amounts **ARE NOT** taxable when withdrawn.

WHAT INCOME IS NOT TAXABLE?

- Social Security, 3rd party sickpay. Supplemental Unemployment Benefits, Strike Benefits, pensions, dividends, interest, unemployment compensation, workman's compensation, public assistance, capital gains, net profits of a corporation, religious, educational or charitable purposes, compensation for service in the Armed Forces of the United States. **SEE ADDITIONAL SHEET FOR NON-TAXABLES UNDER ACT 166.**
- Rents (other than motels, hotels, motor courts, rooming houses, etc., where a service is performed.)

JOINT RETURNS: Not allowed. Each resident must file an individual return.

AMENDED RETURNS: Can be filed for the taxable year as well as three (3) years prior to the current taxable year.

EXTENSIONS: Are allowed until Aug. 15th of each year. We will accept a copy of the Federal Extension or written letter by April 15th deadline.

UNION DUES, UNIFORMS, TOOLS, SAFETY EQUIPMENT. These items are now deductible. **PA. STATE SCH. UE-1** pages 1&2.

ESTIMATED/QUARTERLY PAYMENTS

Any taxpayer, whose earnings are not subject to withholding should pay his actual or estimated tax on quarterly basis directly to the Wage Tax Office. A receipt will be issued and the amount paid will be credited to the taxpayer's account.

NAME CHANGE

If you have been married please give both your married and maiden name and your correct address.

PREPARER OTHER THAN TAXPAYER

If you have an accountant prepare your return, be sure the accountant receives the enclosed Form T-4.

DO NOT STAPLE, PAPER CLIP OR PIN YOUR W2's TO YOUR TAX FORM, IT IS HARD ON OUR MAIL OPENING EQUIPMENT!!!

FORM T-4: Must be filed by you even though your entire wage tax was withheld by your employer.

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INSTRUCTIONS FOR COMPLETING FORM T-4.

LINE 1: List number of months lived in the applicable Townships or Borough.

LINE 2: **List each employer’s Name and Total Wages received for the year. (DO NOT USE Federal Tax Figure. Use blocks marked STATE Wages.) Report LOCAL taxes withheld. If no taxes were withheld, write “NONE.” Use actual figures. DO NOT round off.**

LINE 3: Enter totals of STATE wages received from employers and LOCAL taxes withheld.

LINE 4: Self Explanatory. Please print. Please make corrections to your name and address if necessary. Use married & maiden names if it applies. Indicate maiden name with brackets.

LINE 5: Check Soc. Sec. #. If incorrect, please make necessary changes.

LINE 6: Total State wages received from all employers for the year. Use actual figures. DO NOT round off.

LINE 7: Enter all other compensation which have not already been entered on Line 3. Tips, directors fees and bonuses are considered supplementary earnings and must be entered. Failure to include this on returns where the occupation is customary will indicate the need for an audit.

LINE 8: Net profits from a business as reported on our **PA STATE FORM 40** Tax return. The loss from one business may be used to offset the profits of another business or earnings from an employer.

LINE 9: Use the same procedure as in Line 8.

LINE 10: Enter the net profits you received from the business, regardless of whether or not the profits were distributed to the partner. Use the figure reported on **PA. STATE FORM 40 RK-1. DO NOT** include partnerships that are engaged in rental of Real Estate.

LINE 11A: Enter expense deductions. They are limited to: (1) Sick Pay. If sick pay applies, send W2 that shows amount of sick pay; (2) Employee business expenses as reported on **PA.SCH.UE-1 pages 1&2**. A copy of applicable forms must accompany return. **FED SCH. A.** (ITEMIZED DEDUCTIONS) are NOT deductible for wage tax purposes.

LINE 12: Subtract Line 11A from Line 11. **Do not round off figures.**

LINE 13: Self Explanatory.

LINE 14A: Enter the total amount of **LOCAL** taxes withheld from all employers. This will be indicated on the W-2 form received from your employer.

LINE 14B: Enter any amount you may have paid on a quarterly basis to the Tax Office.

LINE 15: Self Explanatory.

LINE 16: Self Explanatory.

LINE17: Enter the date of mailing the return to the tax office and write **(do not print)** your signature. This return is due on or before April 15th each year.

Interest & Penalty charges. The rate is 1% per month of the balance owed.

Late filing charge. The fee is **\$5.00** after April 15th.

NSF CHECKS. After the second NSF check, only cash or money order will be accepted.

INCOMPLETE, FALSE OR FRAUDULENT RETURNS.

The making of an incomplete, false, or fraudulent return to avoid payment, or filing, neglecting or refusing to make a return, constitutes an offense punishable by a fine of not less than twenty-five dollars (\$25.00) or more than five hundred dollars (\$500.00) plus costs, or to undergo imprisonment of not more than sixty (60) days for the nonpayment of such fine.

Overpayments of less than \$1.00 will not be refunded.

Underpayments of less than \$1.00 need not be paid.

LIST NUMBER OF MONTHS LIVED IN THE APPLICABLE TOWNSHIP OR BOROUGH OR BOTH DURING 2007				OFFICE USE ONLY	
1. PENN:	W. MANHEIM:	MANHEIM:	HAN. BORO.		
2. LIST EACH EMPLOYER'S NAME AND WAGES EARNED		W2-Use STATE Wage	Total STATE Wages Use Box 16 on W2		Local Taxes withheld Use Box 19 on W2
a.					
b.					
c.					
3.		TOTAL			

4. _____ 5. SOCIAL SECURITY NO. _____

IF YOUR SOCIAL SECURITY NO. IS INCORRECT
 PLEASE MAKE NECESSARY CHANGES

6. Wages reported on line 3 of this return	\$
7. Total taxable earnings (bonuses, tips and other compensations) not reported on line 3	
8. Net profits or loss from business (PA 40 Sch. C)	Enclose Copy
9. Net profits or less from farming (PA 40 Sch. F)	Enclose Copy
10. Net profits or loss from partnership (PA 40 Sch. RK-1)	Enclose Copy
11. Total (Sum of lines, 6, 7, 8, 9 and 10)	\$
(a): Less expenses not previously deducted under lines 8, 9, and 10 (see instructions).	PA Sch. UE (Enclose Copy)
12. Total amount taxable	\$
13. Tax at one percent (1%) of line 12	\$
14. Credits:	
(a) Taxes withheld - as shown on line 3	A. \$
(b) Payments on Estimated tax	B. \$
15. If your tax (line 13) is larger than your payment (line 14) enter unpaid balance due here	
16. If your payments (line 14) are larger than your tax (line 13) enter overpayment here	
ALLOW (8) EIGHT WEEKS FOR PROCESSING REFUNDS	

EXEMPTION CERTIFICATE

I certify that I am no longer a legal resident of Penn, W. Manheim, Manheim Twps. or Hanover Borough. My Address is:

Which is in (Twp. or Boro) _____ I have been a resident of this address since (date) _____
 My former address was: _____

RETURN IS DUE ON OR BEFORE APRIL 15, 2008
Please make checks payable to: WAGE TAX COLLECTOR

I declare under the penalties provided by law that this return has been examined by me and to the best of my knowledge and belief is a true and correct return.

17. Dated _____ Signature of Taxpayer _____
 Signature of Preparer _____ Taxpayer Phone Number _____

FAILURE TO INCLUDE ALL SUPPORTING SCHEDULES AND DOCUMENTATION MAY RESULT IN A REFUND BEING DISALLOWED

BE SURE YOUR NAME AND ADDRESS IS CORRECT AND SIGN YOUR RETURN. **IT IS A REQUIREMENT TO SEND A COPY OF ANY SCHEDULE SENT TO PENNSYLVANIA STATE TO SUPPORT DEDUCTIONS FROM YOUR TAX. THIS WOULD INCLUDE COPIES OF STATE SCHEDULES C, F, RK-1 AND PA.SCHEDULE UE-1 PAGES 1&2. AND ALL OTHER SUPPORTING SCHEDULES ARE ALSO REQUIRED. ALSO INCLUDE COPIES OF ALL W-2'S.** FAILURE TO RECEIVE THE FORMS WILL NOT EXCUSE ANY PERSONS HAVING TAXABLE INCOME FROM MAKING A RETURN OR PAYMENT.