



IMPORTANT TAX UPDATE FROM BUTLER TOWNSHIP

IMPORTANT NOTICE TO ALL RESIDENTS

Summary of changes and required responsibilities of ALL Employees for the withholding and remittance of Earned Income Tax in the state of Pennsylvania

LOCATED IN BUTLER TOWNSHIP PENNSYLVANIA

COMMONWEALTH- ACT 32 OF 2008

Act 32 will revamp the system of collecting Earned Income Tax (EIT) across Pennsylvania. It will reduce the number of state-wide collectors from 560 to 69 tax collection districts (TCD) and restructure how EIT is collected.

All Employers (large and small) will be required to withhold EIT from all employees. Tax rate will be determined

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by the employee's place of residency. However, one exception remains: if the place where you, the taxpayer, are employed has a higher EIT rate than the rate where you reside, then you are subject to a higher EIT rate. Areas with higher EIT rates are communities with a distressed pension plan under (Act 205) or, a distressed area under (Act 47).

As residents subject to Earned Income Tax in Butler Township, the following changes will apply:

- All Earned Income Tax (EIT) will be withheld by employers and, remitted to a single Tax Officer designated to represent the Tax Collection District (TCD).
- The taxes will then be distributed to the employee's proper place of residency, in your case, Butler Township and the Butler Area School District.
- All **EMPLOYEES** must fill out a Residency Certification Form and return it to their employer to ensure their EIT is withheld and distributed properly. (Sample form on opposite side.)
- Employee EIT rates will be decided by the employee's political subdivision. A complete tax register of all EIT rates by location can be found at the DCED website: www.newpa.com.
- The political subdivision code (PSD) for Butler Township is **100102**.
- If a change in residency occurs, employees must inform employers of their new residency.

Berkheimer Tax Administrator was selected by the Butler County Tax Collection Committee (BCTCC) as the Tax Officer for Butler County. Berkheimer has been involved with much of Butler County tax collection in recent years making for a much easier transition to the new collection system. The role of the employee in this new collection system is to keep their employer aware of their residency at all times. The actual process of withholding, remitting, and collection of tax dollars is put into the hands of the employer and the collector. The Department of Community and Economic Development (DCED) will be making available uniform forms for all employees, employers, and collectors.

All forms along with further information can be obtained at the DCED website: newpa.com.



Butler Township
290 South Duffy Road
Butler Township, PA 16001
Phone: 724-283-3430
Fax: 724-282-2142
info@butlertwp.org