



## IMPORTANT TAX UPDATE FROM

# BUTLER TOWNSHIP

## IMPORTANT NOTICE TO ALL EMPLOYERS

### LOCATED IN BUTLER TOWNSHIP PENNSYLVANIA

Summary of changes and required responsibilities of ALL Employees for the withholding and remittance of Earned Income Tax in the state of 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 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 by the employee's place of residency.

#### EFFECTIVE JANUARY 1, 2012

However, one exception remains: if the place where the employee resides has a higher Earned Income Tax (EIT) rate than Butler Township, then the employee is subject to a higher EIT rate. Areas with higher Earned Income Tax (EIT) rates are communities with a distressed pension plan under (Act 205) or, a distressed area under (Act 47).

#### As employers in Butler Township, the following changes will apply:

- A single Tax Collection Agency was selected by the Butler County Tax Collection Committee (BCTCC) to handle all EIT across the Tax Collection District (TCD) of Butler County. Berkheimer Tax Administrator, Bangor, Pennsylvania has been chosen as the Tax Officer for Butler County.
- Employers are now required to obtain, and have on file, a Residency Certification Form from all employees, current and new. (Sample form on opposite side.)
- A new Residency Certification Form is required of all employees if their place of residency changes. This will ensure the correct amount of money is withheld and remitted to the proper location.
- The employee's EIT rate is determined by ordinance of their political subdivision
- All employers are required to withhold EIT of all employees subject to tax, in which, these taxes will be remitted to the Tax Officer.
- Codes have been established by the Department of Community and Economic Development (DCED) that reflect the employee's county, school district and municipality. Those codes can be accessed at the DCED website: [www.newpa.com](http://www.newpa.com).
- Employers will have 30 days after the end of each quarter to remit EIT to the Tax Collection District's appointed Tax Officer.
- Multi-site employers may elect to pay taxes in only one Pennsylvania Tax Collection District. However, these taxes must be remitted monthly according to all instructions on the DCED website listed below.

All forms along with further information can be obtained at the DCED website: [newpa.com](http://newpa.com).



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