

CUMBERLAND COUNTY TAX BUREAU
21 Waterford Dr., Suite 201
Mechanicsburg, PA 17050
717-590-7997
WEBSITE: www.cumberlandtax.org
Taxpayers Local Earned Income Tax Return
Form 531 Instruction Sheet

ONLINE FILING AVAILABLE

To view eligibility requirements and file your return visit www.cumberlandtax.org

WHO MUST FILE A FINAL RETURN: All residents of the municipalities and school districts shown on reverse who are employed or self-employed, and all non-residents who work or are self-employed within the municipalities and school districts listed must file. If you receive a tax form but did NOT work, you must still return the form and indicate the reason that no income is shown (full time student, homemaker, disabled, retired, unemployed, etc.)

A non-resident is someone who lives in another state or country but working in Cumberland County. Please supply copy of your Visa and/or Domicile State Return and PA Non Resident State Return.

IMPORTANT: The accompanying tax return must be filed with this office by the indicated due date even if no tax is due or if all has been withheld by your employer. Failure to file your return may subject you to a fine of up to \$500.00. Spouses may file on one form. However, tax calculations must be reported separately. Joint filing (i.e. combining income, etc.) is not permitted. Failure to receive a Local Earned Income Tax Return shall not excuse the failure to file any required returns or to pay any tax due.

EXTENSION REQUEST: A taxpayer who requires an extension of time in which to file his or her Local Earned Income Tax Return shall make written application to Cumberland County Tax Bureau. A taxpayer who is granted an extension of time for filing his or her Federal or Pennsylvania Income Tax Return shall not automatically be entitled to a similar extension of time for filing his or her local earned income return. A completed extension application must be received by Cumberland County Tax Bureau on or before April 15, for the extension to be approved. The application for extension is available at www.cumberlandtax.org. Such approved extensions shall be valid until October 15. **Interest and Penalty will be added and collected on tax not received by its April 15th due date, even though an extension of time for filing has been granted.**

INSTRUCTIONS FOR COMPLETING THE LOCAL EARNED INCOME TAX RETURN FORM 531

These instructions are only a summary of the tax bureau's rules and regulations. Copies of these rules and regulations are available, free of charge, at the tax bureau office or the bureau's website www.cumberlandtax.org.

- Line 1 Gross Compensation: List Gross earnings as reported on W2 (wages, salaries, commissions, etc.) (If unsure, refer to Table 2 on reverse side, Section Earned Income Compensation Examples/ What is not subject to Tax) Enclose W-2's.
- Line 2 Unreimbursed Business Expenses: (Refer to Table 2 on reverse side, section Unreimbursed Business Expenses.) A SEPARATE PA SCHEDULE UE must be completed for each employer and CANNOT be consolidated in any form. Enclose appropriate PA schedules and separate Unreimbursed Business Expense forms for each employer. PLEASE NOTE: Business expenses claimed without proper supporting documentation (this includes but not limited to receipts) will be denied. NOTE: Employee Business Expenses CANNOT be deducted from compensation reported on 1099-MISC.
- Line 3 Other Taxable Income: Enter income received that was not reported to you on a form W-2. If you received a form 1099-MISC for income that you **did not** report as part of the gross income of a sole proprietorship, LLC or other business entity, please report the income on Line 3. Please enclose 1099-MISC, 1099R (exclude codes 3-9 & G), 1099-C (if related to a business) or other proof of income. If you did not receive any of the above mentioned proof of income, please provide a brief description of the income and enclose with your final earned income return. **DO NOT REPORT INTEREST, DIVIDENDS, OR UNEMPLOYMENT COMPENSATION ON THE LOCAL EARNED INCOME TAX RETURN.**
- Line 4 Total Taxable Income: Line 1 minus Line 2 plus Line 3. **IF LESS THAN ZERO, ENTER ZERO (CANNOT BE LESS THAN ZERO).**
- Line 5 Net Profit: This line is to be used by SELF-EMPLOYED persons. (Refer to section Net Profits). A loss **should not** be reported on Line 5. The Net Profits and Loss of each business must be SEPARATELY stated and Net Profit or Net Loss is to be determined SEPARATELY for each business enterprise. Enclose appropriate PA Schedule(s) C, F, RK-1 and/or NRK-1.
- Line 6 Net Loss: Enter amount of business loss. Enclose appropriate PA Schedule(s) C, F, RK-1 and/or NRK-1. **If appropriate documentation is not enclosed, Loss from business will not be allowed. A loss CANNOT be deducted from W-2 or Misc. income.**
- Line 7 Total Taxable Net Profits: Subtract Line 6 from Line 5. **IF LESS THAN ZERO, ENTER ZERO.**
- Line 8 Total Earned Income: Line 4 + Line 7.
- Line 9 Total Tax Liability: Line 8 multiplied by resident tax rate. Refer to section TAX TABLE
- Line 10 Total Local Earned Income Tax Withheld: Complete Line 10 if you had PA local income tax withheld by your employer, with the exception of Philadelphia, (Generally located in box 19 of W-2's). CREDIT for withholding WILL NOT be given if W-2 is NOT enclosed. Do not include LST, EMST, OPT or SUI.
- Line 11 Quarterly Estimated Payments/Credit Previous Tax Year: Complete Line 11 if you have made quarterly payments, or if a refund from previous tax year was credited to this tax year.
- Line 12 Miscellaneous Tax Credits: Complete Line 12 if you had any Out-Of-State/Philadelphia tax credits calculated on the Non Reciprocal State/Philadelphia Credit Worksheet. (Refer to the back of the Local Earned Income Return for instructions.)
- Line 13 Total Payments and Credits: Add Lines 10+11+12
- Line 14 Refund: If Line 13 is greater than Line 9; subtract Line 9 from Line 13). Refunds of \$10.00 or more must be reported by us to the Internal Revenue Service. No refunds under \$1.00.
- Line 15 Credit Taxpayer/Spouse: If refund is more than \$1.00 and appropriate box is checked, overpayment will be applied as marked. If NOT checked, any overpayment will be refunded to the taxpayer. CCTB will allow the offsetting of one spouse's balance due by the transfer of his or her spouse's current year overpayment provided both spouses are filed on the same form. NOTE: If the first spouse's requested overpayment amount is reduced or denied, the second spouse's tax liability will be affected by the reduced or denied credit and a balance of tax due may result. **If the "Credit to Spouse" box is not checked, a transfer will not be made.**
- Line 16 Earned Income Tax Balance Due: If Line 9 is greater than Line 13; subtract Line 13 from Line 9. Payment must be RECEIVED in this office, or mailed and POSTMARKED ON or BEFORE APRIL 15th. There will be a \$20.00 fee for all returned payments.
- Line 17 Penalty: Payable at a rate of 1% (.01) per month or any portion of a month that the earned income tax remains unpaid after the April 15 due date. (Example: \$ tax due X .01 X # months= penalty)
- Line 18 Interest: Payable at a rate of (.000082) per day of the unpaid tax after the April 15th due date. (Example: .000082 X # of days after 4/15 = Interest)
- Line 19 Total Amount Due: Add Line 16 + Line 17+ Line 18. Make check/Money Order payable to **CUMBERLAND COUNTY TAX BUREAU**.

NOTE: **SIGN AND DATE LOCAL EARNED INCOME TAX RETURN. USING THE ENVELOPE PROVIDED, AFFIX THE PROPER LABEL FOR PAYMENT DUE, NO PAYMENT OR REFUND DUE. ENCLOSE ALL W-2(S) AND APPROPRIATE SCHEDULES. MAIL ON OR BEFORE THE APRIL 15 DUE DATE.**

Cumberland County 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 any portion of the tax year, you are required to file a return with this bureau.							
Cumberland County And Franklin County Taxing Authorities				Cumberland County and York County:			
School District	Township/Boro	Resident Rate	PSD	School District	Township/Boro	Resident Rate	PSD
Big Spring SD	Cooke Twp.	1.65%	210101	Mechanicsburg SD	Mechanicsburg Boro	1.70%	210601
	Lower Frankford Twp.	1.65%	210102		Shiremanstown Boro	1.70%	210602
	Lower Mifflin Twp.	1.65%	210103		Upper Allen Twp.	1.70%	210603
	Newville Boro	1.65%	210104	Shiremanstown Annex	1.80%	210699	
	North Newton Twp.	1.65%	210105	Shippensburg Area SD	Hopewell Twp.	1.40%	210701
	Penn Twp.	1.65%	210106		Newburg Boro	1.40%	210702
	South Newton Twp.	1.65%	210107		Shippensburg Boro	1.40%	210703
	Upper Frankford Twp.	1.65%	210108		Shippensburg Twp.	1.40%	210704
	Upper Mifflin Twp.	1.65%	210109		Southampton Twp. (Cumberland)	1.40%	210705
	West Pennsboro Twp.	1.65%	210110		Orrstown Boro (Franklin)	1.40%	210706
Camp Hill Boro	2.00%	210201	Southampton Twp. (Franklin)		1.40%	210707	
Camp Hill SD	Carlisle Boro	1.60%	210301	South Middleton Township	1.60%	210801	
	Dickinson Twp.	1.60%	210302	West Shore SD	Lemoyne Boro	1.45%	210901
	Mt Holly Springs Boro	1.60%	210303		Lower Allen Twp.	1.55%	210902
North Middleton Twp.	1.60%	210304	New Cumberland Boro		1.45%	210903	
Cumberland Valley SD	Hampden Twp.	1.60%	210401		Wormleysburg Boro	1.45%	210904
	Middlesex Twp.	1.60%	210402		Fairview Twp. (York)	1.45%	210905
Monroe Twp.	1.60%	210403	Goldsboro Boro (York)		1.45%	210906	
Silver Spring Twp.	1.70%	210404	Lewisberry Boro (York)		1.45%	210907	
East Pennsboro SD	East Pennsboro Twp.	1.60%	210501		Newberry Twp. (York)	1.45%	210908

The following examples of earned income compensation, what is not subject to tax, and non-allowed unreimbursed business expenses in no way limits the provisions of the resolutions/ordinances to these examples. This list is not exhaustive; contact CCTB if you have any questions.

Earned Income Compensation Examples	What is not subject to tax	Unreimbursed Business Expenses PA Schedule UE DOES NOT cover the below examples:	Net Profits:
Salaries	3 rd party sick pay	Personal, living or family expenses, temporary housing expense	While the definition of "net profits" in the Local Tax Enabling Act includes net income from the operation of a business, profession or other activity, it does not include income from corporations.
Wages	Disability Benefits (periodical payments received by an individual under a disability insurance plan)	Subscriptions to publications	
Commissions	Distributions from Retirement Programs (Such as Keogh, Tax Shelter Annuity, IRA and 401K)	Dues to professional or fraternal societies	Most distributions passed through a taxpayer by an S Corporation are considered investment income and not subject to the earned income tax, unless the distributions are based on services provided by the taxpayer.
Bonuses	Cash or property received as a gift, by Will or Status of Descent or Distribution.	Chamber of Commerce or recreational club membership	
Drawing Accounts-If amounts received as a drawing account exceed the salary or commissions earned, the tax is payable on the amounts received. If the employee subsequently repays the employer any amounts not in fact earned, the tax shall be adjusted accordingly.	Capital gains (capital losses may not be used as a deduction against other taxable income.)	Cost of meals while working late except while traveling away from home overnight.	
Incentive Payments	Death benefits	Campaign or political contributions	For taxpayers engaged in the business, profession or activity of farming, the term shall not include: Any interest earnings generated from any monetary accounts or investment instruments of the farming business Any gain on the sale of farm machinery Any gain on the sale of livestock held twelve months or more for draft, breeding or dairy purposes Any gain on the sale of other capital assets of the farm
Tips	Proceeds of Life Insurance policies	Charitable contributions	
Fees	Unemployment compensation	Commuting expenses	
Benefits accruing from employment, including but not limited to annual leave, vacation, holiday, sabbatical leave, compensation received in form of property shall be taxed at its fair market value at the time of receipt, Jury Duty Pay, Payments received from weekend meetings National Guard or reserve Units, sick pay (if employee received a regular salary during period of sickness or disability by virtue of employment agreement), separation payments and taxes assumed by the employer.	Boarding and lodging of employees for the convenience of employer.	Capital Expenditures except through depreciation. Certain depreciation expense exclusions may be taken. Federal depreciation or cost recovery deductions are acceptable for Pennsylvania purpose as an administrative convenience to compute allowable business expense deductions.	
National Guard Pay (except active duty)	Interest and dividends	Occupational privilege tax/LST/EMST	
1-W Classification Pay	Scholarships	Child or Elderly care expenses	
Stipends	Social security benefits	Life insurance premiums, disability income	
Employee contributions to Retirement Accounts	Damages for personal injury	Health services, insurance premiums	
Any expense reimbursement from employer that exceeds actual expenses is taxable	Active duty military service pay 2016. Years prior to 2016 please contact the Bureau.	Malpractice Insurance premiums (except where required by law or employer)	
	Gambling/lottery winnings	Pension contributions	
	Supplementary unemployment benefit (sub pay)	Fines, penalties, legal fees (except to recover back wages)	Net profits do not include income that is "not paid for services provided" or that is in the nature of earning from an investment (passive income).
	Clergy Housing Allowance	Bad debts	
	Personal use of company cars	Bribes, Kickbacks and other illegal payments	
	Cafeteria plans	Eligible job hunting expenses and pre-employment expenses	
	Profits from limited liability partnerships engaged in real estate, oil, mining leases or other similar investments.	Residential phone services (specific charges for telephone calls required for business purposes may be deducted).	
	Pensions		Persons engaging in more than one business activity during the tax year may offset a loss in one activity against the gain of another.
	Public Assistance		