

CUMBERLAND COUNTY TAX BUREAU

Local Taxpayers Bill of Rights Act Disclosure Statement

Effective January 1, 2012

Background. The Cumberland County Tax Collection Committee ("TCC") is a government entity created and organized under Act 32 of 2008, 53 P.S. § 6924.501 *et seq.*, which amended and restated the Local Tax Enabling Act ("LTEA"), 53 P.S. § 6901 *et seq.* Pursuant to the authority granted in 53 P.S. § 6924.505(a.2)(2), the TCC created the Cumberland County Tax Bureau ("Bureau") to collect local income tax, local services tax, and possibly other taxes throughout the Cumberland County Tax Collection District ("TCD"). As the tax collector for the school districts and municipalities within the TCD, the Bureau is statutorily required to adopt a Taxpayer Disclosure Statement under the Local Taxpayers Bill of Rights Act, 53 Pa.C.S.A. § 8423 ("LTBR").

I. General Rights and Obligations.

a. Individual Obligations.

1. ***Earned Income Tax.*** All residents of the TCD (which includes not only all school districts and municipalities within Cumberland County, but also Orrstown Borough and Southampton Township in Franklin County, and Fairview Township, Goldsboro Borough, Lewisberry Borough, and Newberry Township in York County) who are sixteen years of age or older, who are not fully retired or totally disabled, and who have earned income or net profits, are required to pay local earned income tax at the rate established by the school district and municipality of the place of residence.

Nonresidents who are sixteen years of age or older are required to pay tax on earned income or net profits derived from an occupation engaged in within the boundaries of any municipality within the TCD that imposes nonresident tax. Nonresident tax is owed to the municipality where the workplace is located at the rate established by the municipality. A nonresident subject to nonresident tax is required to file a tax return if, and only if, the nonresident is not entitled to a tax credit for resident tax that negates the full amount of the nonresident tax that would be owed without the credit and: (1) the nonresident is an employee whose employer has not withheld the full amount of nonresident tax owed based on earned income; or (2) the nonresident owes tax based on net profits.

2. ***Local Services Tax.*** It is the obligation of all individuals who engage in an occupation within the boundaries of a municipality or school district for which the Bureau collects a local services tax to pay the tax, and to file tax returns to the extent required under tax enactments and regulations relating to the tax.

In addition, individuals are required to comply with requirements of the LTEA, DCED Regulations, the Bureau Earned Income and Net Profits Tax Regulations and all other Bureau regulations, school district and municipal tax enactments, and other applicable law.

b. ***Employer Obligations.*** Employers are required to withhold both earned income tax and local services tax from compensation of employees. In addition, employers are required to comply with requirements of the LTEA, DCED Regulations, the Bureau Earned Income and Net Profits Tax Regulations and all other Bureau regulations, school district and municipal tax enactments, and other applicable law.

c. **Bureau Obligations.** It is the obligation of the Bureau to fairly, consistently, and uniformly apply its regulations and to administer the collection of taxes applicable to taxpayers residing or working within its jurisdiction. The Bureau has the responsibility for the audit, assessment, collection, determination, and administration of such taxes in accordance with the LTEA, the LTBR, DCED Regulations, the Bureau Earned Income and Net Profits Tax Regulations and all other Bureau regulations, policies, and procedures, school district and municipal tax enactments, and other applicable law.

In all Bureau correspondence requesting information from taxpayers, the Bureau will include a **Notice of Procedure to Request Extension of Time** in the form set forth in the attached **Exhibit A**. In all Bureau correspondence to a taxpayer regarding assessment, audit, determination, review, or collection of tax, the Bureau will include a **Taxpayer Bill of Rights Notice** in the form set forth in the attached **Exhibit B**.

1. **Right to Privacy and Confidentiality of Tax Information.** In discharging its duties, the Bureau shall keep confidential all information gained as a result of any return, report, audit, investigation, hearing, or verification, except as required for official purposes or by law.

2. **Right to Courteous and Professional Service.** The Bureau will treat taxpayers courteously and professionally at all times. If a taxpayer is not satisfied with the manner in which they were treated or has any other complaint regarding actions taken by the Bureau, a detailed written statement describing the incident should be sent to the Executive Director of the Bureau.

3. **Failure to Comply Does Not Excuse Tax Payment.** Unless expressly provided in the LTBR, the failure of any Bureau representative to comply with any provision of this Disclosure Statement, the LTEA, the LTBR, DCED Regulations, the Bureau Earned Income and Net Profits Tax Regulations or any other Bureau regulation, policy, or procedure, any school district or municipal tax enactment, or any other applicable law will not excuse the taxpayer from paying taxes owed.

II. Rights and Obligations Regarding Requests for Information or Review of Records. In fulfilling its obligations, the Bureau is sometimes required to request additional information or review a taxpayer's books and records. This review does not suggest or imply that an individual is dishonest. The Bureau will attempt to resolve any issues by mail or telephone when possible. Taxpayers will be given 30 days to respond to Bureau requests for information.

a. **Right to Request Extensions of Time.** Taxpayers have the right to request extensions of time to respond to Bureau information requests. Upon receipt of a written request, the Bureau will grant reasonable extensions of time if there is "good cause." The Bureau will take no legal action against a taxpayer until the expiration of the response period and any Bureau-approved extension.

b. **Request for Prior Year Returns.** Any initial request for information from the Bureau may cover only taxes to be filed or paid no more than 3 years prior to the mailing date of the Bureau request. Subsequent requests for additional tax returns or supporting information may be made after the initial request, if the Bureau determines that the taxpayer failed to file a tax return, underreported income, or failed to pay a tax for one or more of the tax periods covered by the initial request.

c. **Request for Federal Tax Information.** The Bureau may require a taxpayer to provide copies of the taxpayer's federal individual income tax returns if the Bureau can show that the information is reasonably necessary for enforcement or collection of tax and if the information is not available from other sources or the Pennsylvania Department of Revenue.

d. **Request for Personal Interview.** A taxpayer may request or the Bureau may provide for a personal interview. If an interview is necessary, an attempt will be made to schedule the interview at a convenient and reasonable time and place for the taxpayer and the Bureau.

e. **Right to Representation.** Taxpayers may represent themselves or authorize someone else in writing to represent them throughout the Bureau review process. Someone may accompany the taxpayer at a meeting or hearing conducted by the Bureau. A notice or other written communication from the Bureau to the taxpayer may be given to the taxpayer's authorized representative, and any such notice or other communication shall have the same effect as if given to the taxpayer directly. Action taken by a taxpayer's authorized representative shall have the same force and effect as if taken by the taxpayer.

f. **Right to Timely Determination.** The Bureau will process a review in a timely manner. A detailed written statement of any tax liability determined as a result of a review will also be issued. This notice will include the amount of underpayment detailed by tax period, a detailed listing of adjustments made to the tax return(s), and the legal basis for the revisions.

III. Procedures for Refund of Overpaid Tax. If a taxpayer has overpaid a tax, the taxpayer may request a refund by doing any of the following: (1) filing an amended tax return with the Bureau; (2) submitting an informal written request to the Bureau; or (3) filing a written Tax Appeal Petition with the TCC Tax Appeal Board. Any petition from a denial of a request made to the Bureau for a refund or any petition filed directly with the TCC Tax Appeal Board for a refund must be submitted as set forth in the **Cumberland County Tax Collection Committee Tax Appeal Board Regulations**. Sufficient information must be provided to substantiate any refund request. Refund requests for earned income tax must be filed within 3 years after the due date for filing the return, as extended, or one year after actual payment of the tax, whichever is later. Refund requests for local services tax must be filed within 3 years after the due date for payment of the tax, or one year after actual payment of the tax, whichever is later. Subject to certain exceptions, the Bureau will pay interest at a rate determined pursuant to state law from the date of overpayment.

IV. Procedures for Appeals and Hearings. The TCC Tax Appeal Board decides appeals of Bureau determinations filed by taxpayers, employers, political subdivisions, other tax collectors, and other tax collection committees. The appeals process is set forth in the **Cumberland County Tax Collection Committee Tax Appeal Board Regulations**. These Regulations are available on the Bureau website, and will be provided on request.

V. Enforcement Procedures and Methods. If the Bureau determines that a required return has not been filed, or a liability has not been paid, it is authorized by law to take various actions including:

1. The Bureau may assess interest, penalties, and costs of collection against a delinquent taxpayer or employer.
2. The Bureau may request taxpayer interviews and audits.
3. The Bureau may contact a delinquent taxpayer and attempt to resolve the liability through payment in full, installment payment plan, or wage attachment.
4. The Bureau may employ collection agencies or legal counsel to assist in the collection of delinquent taxes.

5. The Bureau may garnish the wages of a delinquent taxpayer in accordance with the LTEA.
6. The Bureau may file a civil suit against a delinquent taxpayer, employer, and/or the responsible party.
7. The Bureau may file a lien against a delinquent taxpayer or employer.
8. The Bureau may file a criminal complaint against a delinquent taxpayer, employer, and/or the responsible party. LTEA, 53 P.S. § 6924.509(j)(1), provides potential criminal penalties for all taxpayers of up to \$2,500 for each offense and imprisonment for failure to pay fines and costs, and 53 P.S. § 6924.509(j)(2) provides potential criminal penalties of up to \$25,000 or imprisonment of up to 2 years or both for employers who willfully fail to collect or account for and distribute income taxes.
9. The Bureau may hold employers and officers liable for failure to make or remit deductions from employee compensation. An employer who willfully or negligently fails or omits to make the required deductions shall be liable for payment of tax which the employer was required to withhold to the extent the tax is not recovered from the employee. If the employer is a partnership, the partners thereof, and if the employer is a corporation, limited liability company, or other organization or entity, all officers thereof, and any other person responsible for tax matters, shall have the same liability as the employer. The failure or omission of any employer to make the required deductions shall not relieve any employee from payment of tax or from complying with the requirements for filing of returns.

Exhibit A: Notice of Procedure to Request Extension of Time

You have the right to request an extension of time within which to respond to the Bureau's request for information. The Bureau will grant you an extension of time if there is "good cause" to do so. If the Bureau grants an extension of time, it will take no legal action against you until the expiration of the original 30 day response period and any Bureau-approved extensions. To request an extension of time, please submit a written request explaining the reasons why you are requesting the extension to: Susan R.S. Pinti, Executive Director; Cumberland County Tax Bureau, 3607 Rosemont Avenue, P.O. Box 656, Camp Hill, PA 17001-0656.

Exhibit B: Taxpayer Bill of Rights Notice

As set forth in the Cumberland County Tax Bureau Local Taxpayers Bill of Rights Act Disclosure Statement, you are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund, and collection of taxes collected by the Bureau. To obtain a copy, access the Bureau website at www.cumberlandtax.org; call the Bureau at (717) 975-8966 Monday through Friday between the hours of 8:00 AM and 4:30 PM; or send a written request to Cumberland County Tax Bureau, 3607 Rosemont Avenue, P.O. Box 656, Camp Hill, PA 17001-0656.