**CUMBERLAND COUNTY TAX BUREAU**

**Guidelines for Taxpayer Installment Payment Plans**

**Effective: January 1, 2012**

**Background.** The Cumberland County Tax Bureau (“Bureau”) collects local income tax and local services tax throughout the Cumberland County Tax Collection District (“TCD”). Such income tax and local services tax is referred to in these Guidelines as the “Tax”. The Bureau wishes to provide individuals, entities, and employers required to pay or withhold Tax (“Taxpayers”) with a one-time opportunity to pay any outstanding Tax and any penalties, interest, and collection costs in installments pursuant to the Guidelines set forth below.

**Guidelines.**

1. ***Determination****.* The Executive Director of the Bureau will have the sole discretion to determine whether the Bureau will enter into an installment payment plan with a Taxpayer. The Executive Director is under no obligation to cause the Bureau to enter into an installment payment plan with a Taxpayer, even if the Taxpayer meets the minimum requirements set forth below.
2. ***Minimum Requirements****.* To be eligible for an installment payment plan, a Taxpayer must meet the following requirements:
3. The Taxpayer must file annual local tax returns with the Bureau for all Tax years (or any portion of a Tax year) for which liability will be paid under an installment payment plan with the Bureau. In filing such tax returns, the Taxpayer must include a copy of either the Taxpayer’s most recent Federal Tax Return or most recent Pennsylvania Personal Income Tax Return.
4. The Taxpayer must verify that its current year Tax liability has been satisfied up to the date the Taxpayer enters into an installment payment plan with the Bureau.
5. The Taxpayer must owe more than $100.00.
6. If a Taxpayer has previously entered into an installment payment plan with the Bureau, the Taxpayer is not eligible for any further installment payment plans.
7. ***Installment Payment Plan Terms*.** All installment payment plans that the Bureau enters into with a Taxpayer will include the following terms:
8. An initial installment payment plan will incur a $20.00 set up fee, charged to the Taxpayer, and penalty and interest charges will continue to accrue on all outstanding tax balances until all tax balances have been paid in full.
9. Installment payment plans will be for a term of 4 months unless the Taxpayer requests a longer term by completing and returning the attached Request for Extended Hardship application. If the Executive Director elects to allow a longer term for an installment payment plan, the Taxpayer will be charged a $15.00 handling fee for each payment made after the initial 4 month term of the plan. In no event will an installment payment plan be for a term longer than 9 months.
10. Payments under installment payment plans will be calculated by taking the outstanding liability for Tax, dividing this liability by the number of months that will elapse during the term of the plan, and adding the applicable penalties, interests, and collection costs to each such payment.
11. ***Termination and Modification***. The Bureau may terminate or modify an installment payment plan with any Taxpayer if any of the following occur:

(1) Any information provided by the Taxpayer to the Bureau is, in the Executive Director’s opinion, false, misleading, inaccurate, or incomplete.

(2) The Executive Director believes that the prospect of the Bureau collecting Tax or other liability under the installment payment plan is in jeopardy.

(3) The Taxpayer refuses to provide the Bureau with an update regarding the Taxpayer’s financial condition in response to a Bureau request for such update.

(4) The Taxpayer fails to make a payment (whether in whole or in part) when the payment is due under the installment payment plan or fails to make payment of any other tax liability when due.

(5) The Executive Director concludes that there has been a material adverse change to the Taxpayer’s financial condition. Termination under the preceding sentence may only occur if the Bureau provides the Taxpayer 30 days written notice specifying why the Executive Director believes there has been a material adverse change to the Taxpayer’s financial condition.

1. ***Pre-Payment***. Nothing in these Guidelines shall interfere with a Taxpayer’s ability to pay Tax and other liabilities owed prior to the dates these liabilities are to be paid under an installment payment plan with the Bureau.

**CUMBERLAND COUNTY TAX BUREAU**

**Request for an Extended Hardship Installment Plan**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , am requesting a 9 month extended installment payment plan to pay my delinquent local earned income tax, due to financial hardship.

I understand any local earned income tax liability for the present tax year must be current.

**Proof of year to date earnings, withholdings, and/or estimated quarterly payments**

**must be remitted along with any request for hardship extensions.**

I understand an initial installment payment plan set up fee of $20.00 will be charged to my account, and penalty and interest charges will continue to accrue on outstanding tax balances until all tax balances are paid in full.

I also understand, according to the Hardship Installment Plan Guidelines, a $15.00 handling fee per payment charge will be assessed on payments 5 through 9.

Futhermore, I understand if all required documentation is not received with this application, my request will be denied.

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , am claiming financial hardship because:

\_\_\_\_\_ I am in the process of or have recently been divorced.

 *Required: Copy of Divorce Decree or signed document from attorney*

 \_\_\_\_\_ I am currently unemployed due to layoff.

 *Required: Termination letter from your most recent employer*

 \_\_\_\_\_ I am in financial crisis due to the death of my spouse.

 *Required: Copy of Death Certificate*

 \_\_\_\_\_ I am temporarily unable to work because of a medical condition.

 *Required: Signed statement from licensed physician*

The above named Taxpayer is under my care and is expected to be able to return to work on \_\_\_\_\_\_\_.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Physician’s Signature Date

 \_\_\_\_\_ I am permanently disabled.

 *Required: Copy of award letter from the Social Security Administration*

***Information provided on this form is true and correct to the best of my knowledge.***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Taxpayer Signature Date