

## ***City of Philadelphia – Department of Revenue***

### **Pennsylvania's Act 32 of 2008 and Philadelphia Wage Tax**

**December 20, 2011**

There has been much confusion as to how Pennsylvania's Act 32 of 2008 impacts the City of Philadelphia's ability to collect the Philadelphia Wage Tax withheld from Philadelphia residents working at employer locations outside Philadelphia but within the Commonwealth of Pennsylvania.

An employer who maintains a location within the Commonwealth of Pennsylvania and employs one or more residents of the City of Philadelphia must withhold and remit the Philadelphia Wage Tax directly to the City of Philadelphia – Department of Revenue. This requirement which was effective August 15, 1994 (Act 48 of 1994) is found in the Personal Income Tax section of the Tax Reform Code of 1971- more specifically at 72 P.S. § 7359 (Savings clause and limitations). The provisions of Pennsylvania's Act 32 (which amends the Local Tax Enabling Act) do **not** amend or impact the the language of (and the requirements) of 72 P.S. § 7359. As such, no Pennsylvania employer who is required to withhold the Philadelphia Wage Tax from Philadelphia resident employees should send the amount withheld to a local tax collector.

Act 32 notwithstanding, Pennsylvania employers who employ Philadelphia residents will still be required to withhold the Philadelphia Wage Tax and **remit the money directly to the Philadelphia Department of Revenue.**

If you have any question, please send an email to the Revenue Department Technical Advisory Unit at the following address: [revenueadvisors@phila.gov](mailto:revenueadvisors@phila.gov).