

## APPLICATION FOR EMPLOYEE EARNINGS (WAGE) TAX ACCOUNT

**Note:** Under Act 48 of 1994, all employers having a place of business in Pennsylvania must withhold City Wage Tax from Philadelphia residents.

### WHO MUST FILE

Residents of Philadelphia who received compensation from which City wage tax was **not** deducted on total wages.

Non-residents who received compensation for services performed in Philadelphia and wage tax was **not** deducted on total wages.

### TAXABLE COMPENSATION

**Gross Compensation** includes wages, commissions, tips, bonuses, severance pay, sick and/or vacation pay, non-cash compensation, and military reserve pay not including active duty. **Pension plan contributions (such as 401k contributions) are subject to wage tax and are not deductible from gross taxable compensation.**

<u>Period</u>	<u>TAX RATES</u>	
	<u>Resident Rate</u>	<u>Non-Resident Rate</u>
01-01-2003 to 06-30-2003	4.5% (.045)	3.9127% (.039127)
07-01-2003 to 06-30-2004	4.4625% (.044625)	3.8801% (.038801)

Refer to the contact information below for Tax Rates after July 1, 2004.

### TAX RETURNS

A coupon book containing prepayment coupons for each quarterly payment will be sent to you. An annual reconciliation return, due April 15 following the calendar year, will be mailed to you separately. You must include all applicable W-2 forms with your return.

### FILING FREQUENCY

<u>Quarter</u>	<u>Period Covered</u>	<u>Due Date</u>
1	January, February, March	April 30
2	April, May, June	July 31
3	July, August, September	October 31
4	October, November, December	January 31

### INTEREST & PENALTY

**Interest:** Any tax remaining unpaid after the due date will be subject to interest at the rate of 1% (one percent) of the amount of the unpaid tax for each month or fraction of month until paid.

**Penalty:**

<u>Elapsed Time After Due Date</u>	<u>Rate of Penalty</u>
1st through 3rd month	1% per month or fraction thereof
4th through 6th month	2% per month or fraction thereof
7th through 9th month	3% per month or fraction thereof
10th through 12th month	4% per month or fraction thereof

Total penalty after 12 months is 30%. Thereafter, interest and penalty will be charged at the rate of 2¼% of the amount of the unpaid tax for each month or fraction thereof.

**Contact Information:** Call 215-686-6600 or send e-mail to [revenue@phila.gov](mailto:revenue@phila.gov). Applications, tax returns, schedules and instructions are available on web site at [phila.gov/revenue](http://phila.gov/revenue). All forms are in Adobe Acrobat Format and require Acrobat Reader 4.0 or later.