

ANNUAL RECONCILIATION OF EMPLOYEE EARNINGS TAX INSTRUCTIONS

- Who Must File**
- 1) Residents of Philadelphia who received compensation from which wage tax was **not** deducted on total wages.
 - 2) Non-residents who have received compensation for services performed in Philadelphia on which wage tax was **not** deducted on total wages.
 - 3) See Instruction Sheet B concerning wage tax paid to other Pennsylvania jurisdictions and reciprocal agreements.
 - 4) **If Line 13 of the return is equal to Line 12 (100% Employer withheld), do not file the return. Complete a Change Form to cancel your account.**

When to File The Annual Reconciliation of Employee Earnings Tax for the calendar year 2003 is due on or before **April 15, 2004. Failure to file by the due date will result in the imposition of interest and penalty.**

Where to File Sign the Annual Reconciliation return, enclose W-2 forms and mail to:
 Philadelphia Department of Revenue
 P.O. Box 1648
 Philadelphia, PA 19105-1648.

Do not staple the tax return. Do not submit photocopies of this return. To obtain additional returns, forms and instructions, refer to the contact information below.

Change Form - To report a mailing address change or to cancel your account use the enclosed Change Form. A single Change Form can be used for all tax types for which you are liable.

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.**

Contact Information: Call 215-686-6600 or send e-mail to revenue@phila.gov. Applications, tax returns, schedules and instructions can be downloaded from our web site at phila.gov/revenue. All forms are in Adobe Acrobat Format and require Adobe Acrobat 4.0 or later.

Computation of Interest and Penalty

Month after Due Date	Returns Filed After Due Date	Interest	Penalty	Combined Interest & Penalty	Cumulative Interest & Penalty
1st	04/16/04 thru 05/15/04	1%	1%	2%	2%
2nd	05/16/04 thru 06/15/04	1%	1%	2%	4%
3rd	06/16/04 thru 07/15/04	1%	1%	2%	6%
4th	07/16/04 thru 08/15/04	1%	2%	3%	9%
5th	08/16/04 thru 09/15/04	1%	2%	3%	12%
6th	09/16/04 thru 10/15/04	1%	2%	3%	15%
7th	10/16/04 thru 11/15/04	1%	3%	4%	19%
8th	11/16/04 thru 12/15/04	1%	3%	4%	23%
9th	12/16/04 thru 01/15/05	1%	3%	4%	27%
10th	01/16/05 thru 02/15/05	1%	4%	5%	32%
11th	02/16/05 thru 03/15/05	1%	4%	5%	37%
12th	03/16/05 thru 04/15/05	1%	4%	5%	42%

For each additional month or fraction thereof, after the 12th month, add 1% for interest and 1¼% for penalty.

Note: Payments made with returns filed after the due date that **do not** include applicable interest and penalty will be **automatically pro-rated** between principal, interest and penalty. You will be subsequently billed for the remaining tax balance and associated interest and penalty.