WAGE TAX REFUND PETITION
COMMISSION EMPLOYEES

(Not to be used by Salaried Employees)

CITY OF PHILADELPHIA ● DEPARTMENT OF REVENUE
REFUND UNIT
1401 JOHN F. KENNEDY BOULEVARD - ROOM 580
PHILADELPHIA, PA 19102

YEAR
2004

EMPLOYEE'S NAME *(PLEASE PRINT)*	SOCIAL SECURITY NUMBER	OFFICE USE ONLY
HOME ADDRESS	EMPLOYER IDENTIFICATION NUMBER (EIN)	DAYTIME TELEPHONE NUMBER
CITY STATE ZIP CODE		IF PARTIAL YEAR: From_____ To_____
EMPLOYER		OCCUPATION
PLACE OF EMPLOYMENT		

SEE INSTRUCTIONS ON REVERSE SIDE OF THIS FORM

1. GROSS COMPENSATION	.00
2. COMPUTATION OF TAXABLE COMPENSATION AND/OR ALLOWABLE EXPENSES A. TOTAL SALES	.00
B. SALES OUTSIDE OF PHILADELPHIA	.00
C. PERCENTAGE OF SALES OUTSIDE OF PHILADELPHIA (LINE 2B DIVIDED BY LINE 2A)	%
D. COMMISSIONS EARNED OUTSIDE OF PHILADELPHIA (LINE 1 X LINE 2C)	.00
E. NON -REIMBURSABLE BUSINESS EXPENSES, IF ANY (100% LESS LINE 2C X EXPENSES) SEE INSTRUCTIONS --ATTACH A COPY OF FEDERAL FORM #2106	.00
F. NON-TAXABLE COMMISSIONS/ALLOWABLE EXPENSE (LINE 2D + LINE 2E)	.00
3. TAXABLE COMPENSATION (LINE 1 MINUS LINE 2F)	.00
4. **TAX DUE** **RESIDENTS:** LINE 3 X .044625 **NON-RESIDENTS:** LINE 3 X .038801	.00
5. WAGE TAX WITHHELD PER W-2(S)	.00
6. REFUND REQUESTED (LINE 5 MINUS LINE 4)	.00

EMPLOYER CERTIFICATION

I certify that the facts shown above supporting employee's claims are correct based on available payroll records. Individuals serving as authorized official signatories should be familiar with employee's time and attendance, as well as applicable Wage Tax Regulations. Income Tax Regulations Section 401 through 404 requires that the employer properly withhold and allocate wages for tax purposes. General Regulation Section 306 (2) provides that the employer, for and on behalf of the employee, requests the refund.

AUTHORIZED OFFICIAL SIGNATURE	PRINTED NAME	DAYTIME TELEPHONE NUMBER

EMPLOYEE CERTIFICATION

I hereby certify that the statements contained herein and in any supporting schedule or exhibit are true and correct to the best of my knowledge and belief. I understand that if I knowingly make any false statements herein, I am subject to such penalties as may be prescribed by City Ordinance.

TAXPAYER SIGNATURE	DATE	DAYTIME TELEPHONE NUMBER

There are further directions for both the Employer as well as the Employee on the other side of this form. Please read them before completing this document. Completed petition must include:

W-2 showing Federal, State and Local wages
Signature of Employee and Employer
IRS form 2106 if claiming expenses (including breakdown of line 4)

INSTRUCTIONS FOR FILING WAGE TAX REFUND PETITION
(Commission Employees Only)

You must attach to the petition the applicable W-2 indicating Federal, Medicare, State and local wages.

2004 TAX RATES - Resident Rate: 4.4625% (.044625); **Non-Resident Rate:** 3.8801% (.038801)

Statute of Limitations - any claim for refund must be filed within three (3) years from the date the tax was paid or due, whichever date is later.

Only non-resident employees are eligible for a refund based on sales outside of Philadelphia. Resident employees are taxable whether sales are in or out of Philadelphia, but they may use this form to apply for a refund based on allowable employee business expenses on Line 2E.

Employees petitioning for a refund based on sales 100% outside of Philadelphia need to submit a letter from their employer stating that the employee neither lived nor concluded any sales in Philadelphia. The employer must identify the employee's actual work location. Employers have no obligation to withhold wage tax on sales concluded by non-residents outside of Philadelphia.

The taxability of sales by commission employees is based on the place of solicitation. You may only exclude sales outside of Philadelphia if you are out of Philadelphia when the sale is solicited and the order taken. **If you are selling by phone from Philadelphia, these sales are taxable no matter where the customer is located.**

Both the employer and employee must sign the petition for refund. A petition for refund of "erroneously withheld Wage Tax from an employee must be made by the employer for and on behalf of the employee" (General Regulations Section 306 (2)). The authorizing official signing this form should do so only if they know of the employee's whereabouts as they relate to this petition, as well as an understandingof how this information applies to Section 401, 402, 403, 404, 405 and 407 of the Philadelphia Income Tax regulations. These regulations are available at www.phila.gov/revenue.

You must filed a separate refund petiton for each employee that may have overwithheld Wage Tax.

Partial Year: In the context of this form, a partial year is one in which your liability or status for Wage Tax changes. It could be the result of becoming a resident, becoming a non-resident, starting a new job, terminating a job, etc. In any of these situations you need to indicate the period for which you were liable for Wage Tax with a particular employer.

Line 1: Enter your **Gross Compensation** (generally the highest compensation figure on the W-2). The only income excludable from gross compensation for this line would be income received as the result of exercising an employee stock option.

Line 2A: This line should reflect **Total Sales** for the year. If your compensation is based on more than one commission rate or a combination of salary, commissions, fee, etc., prepare a worksheet calculating the amount due and attach it to the petition, marking this line "see attached".

Line 2B: This line should reflect **Sales Outside of Philadelphia** as noted above.

Line 2E: Expenses An entry on Line 2E must be supported by Federal Form #2106. If unreimbursed employee expenses are claimed on Federal Schedule A, you must also include Schedule A. Photocopies are acceptable. Expenses are deductible if (a) the total expenses are reduced by any amounts reimbursed by your employer; (b) they are ordinary, necessary and reasonable; and (c) they are recognized as deductions from adjusted gross income in the Internal Revenue Code. Complete this worksheet.

1. Total non-reimbursed employee business expenses from Form 2106 and/or Schedule A, Miscellaneous Deductions, Line 20	1.	
2. Multiply Line 1 by the percentage on Page 1, Line 2C	2.	
3. Deductible non-reimbursed employee business expenses. Subtract Line 2 from Line 1 and enter on Page 1, Line 2E	3.	

The City does not allow all Federal based employee deductions. Examples of expenses which are not deductible are: transportation to and from work, educational expenses, dues, subscriptions, and pension plan payments.
Note: If your Federal #2106 has an entry on Line 4, you must submit a breakdown of those expenses.

For further information, you may reach the Revenue Department Refund Unit at:
215-686-6574, 6575 or 6578
Send e-mail to revenue@phila.gov
www.phila.gov/revenue