ANNUAL RECONCILIATION OF EMPLOYEE EARNINGS TAX

Included in this package are the following:

This instruction sheet

1 Employee Earnings Tax Reconciliation return with pre-printed information to be used when filing your return

1 blank Employee Earnings Tax Reconciliation return to be retained for your records

1 Change Form

1 Allocation of Earnings Form (83-T-320) to report non-resident employees/non-reimbursable business expenses

GENERAL FILING INFORMATION

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.

When To File: The Annual Reconciliation of Employee Earnings Tax for the calendar year 2000 is due on or before **April 16, 2001.**

Failure to file by the due date will result in the impositon of interest and penalty.

Where to File: Sign the Annual Reconciliation return and mail to:

City of Philadelphia
Department of Revenue
P.O. Box 1648
Philadelphia, PA 19105-1648

Gross Compensation: 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.**

Allocated Compensation: A non-resident who receives compensation for services performed both in and out of Philadelphia may allocate that compensation by filing the Allocation of Earnings form for non-resident employees (Form 83-T-320). **This form must be filed if compensation is allocated and it must be signed by the employer.**

Tax Rates:	**1/1/2000 to 6/30/2000**	**7/1/2000 to 12/31/2000**
Residents of Philadelphia:	4.6135%	4.5635%
Non-Residents:	4.0112%	3.9672%

- **Place your Social Security Number in the space provided if it was not pre-printed.**
- **Change Form:** Use this form to report a mailing address change, cancellation of activity and a change of entity.
- **Print your numbers legibly and boldly to ensure efficient processing.** Photocopies and facsimiles of this return are **not** acceptable. This return can be obtained by calling the number listed below and is available for download from our website. Internet forms are in PDF format and require Adobe Acrobat Reader 4.0 or later.
- **If the tax due on line 12 of this Annual Reconciliation is $1 or more, make check payable to "City of Philadelphia." Do not remit tax if less than $1.**
- **Wage Tax Rate Reduction:** It is expected that the Wage Tax rate will again be reduced, effective on July 1, 2001. Visit our web site, call or e-mail the Revenue Department in June, 2001, for confirmation that the rate has been reduced.

CONTACT INFORMATION

Direct telephone inquiries to 215-686-6600
Send e-mail to revenue@phila.gov
Visit our web site - www.phila.gov/departments/Revenue

COMPUTATION OF INTEREST AND PENALTY

Month after Due Date	Returns Filed After Due Date	Interest	Penalty	Combined Interest & Penalty	Cumulative Interest & Penalty
1st	4/17/01 thru 5/15/01	1%	1%	2%	2%
2nd	5/16/01 thru 6/15/01	1%	1%	2%	4%
3rd	6/16/01 thru 7/15/01	1%	1%	2%	6%
4th	7/16/01 thru 8/15/01	1%	2%	3%	9%
5th	8/16/01 thru 9/15/01	1%	2%	3%	12%
6th	9/16/01 thru 10/15/01	1%	2%	3%	15%
7th	10/16/01 thru 11/15/01	1%	3%	4%	19%
8th	11/16/01 thru 12/1/01	1%	3%	4%	23%
9th	12/16/01 thru 1/15/02	1%	3%	4%	27%
10th	1/16/02 thru 2/15/02	1%	4%	5%	32%
11th	2/16/02 thru 3/15/02	1%	4%	5%	37%
12th	3/16/02 thru 4/15/02	1%	4%	5%	42%

For each additional month or fraction thereof, add 1% for interest and 1 ¼% for penalty.