

Wage Tax

The City Wage Tax, also called the Earnings Tax, is a tax on salaries, wages, commissions and other compensation paid to an employee who is employed by or renders services to an employer. Generally, individuals who work for a company in Pennsylvania will find that the company deducts the Wage Tax from their pay since this is required by law.

All Philadelphia residents owe the City Wage Tax regardless of where they perform services. Non-residents who perform services in Philadelphia must also pay the Wage Tax.

All employers having a place of business in Pennsylvania are required to register with the City of Philadelphia within 30 days of becoming an employer of a resident of Philadelphia and they are required to withhold and remit the Wage Tax at the prescribed rate from all residents of Philadelphia in its employ.

The City issues coupon voucher books to employers to simplify their payments.

If you are a resident of Philadelphia or a non-resident who works in Philadelphia, and your employer is not required to withhold the tax, you must register for an Earnings Tax Account. To establish an Earnings Tax Account call the Business / Earnings Tax Unit of the Department of Revenue at (215) 686-6600 or visit the Municipal Services Building, Public Concourse Level, 1401 John F. Kennedy Boulevard.

Regardless of how much you make, your age or whether you work part or full time, if you have a job and you are a Philadelphia resident, you must pay the wage tax. However, if you are receiving a scholarship or a stipend as part of a degree program, and you do not provide a service then you do not owe the City Wage Tax.

