

ELECTRONIC FILING AVAILABLE ON THE PHILADELPHIA TAX CENTER – File this Wage Tax petition at **tax-service.phila.gov**. You do not need a username and password to file a Wage Tax petition on the Tax Center, simply select “Request a Wage Tax refund” from the front page. Although paper forms are available, file through the Tax Center for faster processing and the ability to track your refund using the “Where’s my refund” feature.

NEW File online to receive your refund through direct deposit. You will be asked for banking information. If you file on paper, you will receive a paper check.

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

You must attach the applicable W-2 indicating Federal, Medicare, State and Local wages to the petition. A separate petition must be filed for each W-2 issued by employers that may have over withheld Wage Tax.

Eligibility for Wage Tax refunds - For non-residents, Philadelphia uses a “requirement of employment” test to determine whether Wage Tax withholding is required. This applies to all non-residents whose base of operations is the employer’s location in Philadelphia. Under this test, a nonresident is exempt from the Wage Tax for the days when the employer requires him or her to perform a job outside Philadelphia.

A nonresident who works remotely for the sake of his or her convenience is not exempt from the Wage Tax, even with the employer’s authorization.

Taxability of Bonuses, Awards, and other similar payments - Bonuses, awards, leave time (vacation, holiday compensation), and incentive payments are subject to Philadelphia Wage Tax. With respect to a non-resident employee working partly outside Philadelphia, the taxpayer can exclude the percentage of time worked outside Philadelphia when the compensation was historically earned.

Example:

A non-resident employee of a Philadelphia-based company was required to work remotely and only worked in the Philadelphia office for 10% of his or her 2024 workdays. To be paid a yearly bonus for the year 2024, the employee must be employed on March 31, 2025, the date the bonuses are paid. Ten percent (10%) of the employee's bonus is subject to the Wage Tax because the compensation is attributable to the time, he or she worked in Philadelphia during 2024.

2025 TAX RATES

Resident Rates:

January 1, 2025, to June 30, 2025 = 3.75% (.0375)
July 1, 2025, to December 31, 2025 = 3.74% (.0374)

Non-Resident Rates:

January 1, 2025 to June 30, 2025 = 3.44% (.0344)
July 1, 2025 to December 31, 2025 = 3.43% (.0343)

General Instructions

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 work performed outside of

Philadelphia. Resident employees are taxed whether working in or out of Philadelphia.

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 understanding of how this information

applies to Sections 401, 402, 403, 404, 405 and 407 of the Philadelphia Income Tax Regulations. These regulations are available at **phila.gov/revenue**.

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, 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.

WAGE TAX REFUND PETITION LINE INSTRUCTIONS

Line 1: Enter your gross compensation (this will generally be the highest compensation figure on Form W-2).

Line 1A: Enter non-taxable stock options which reflects the amount shown on Form W2 box 14 Code V.

Line 1B: Subtract Line 1A from Line 1 to determine adjusted gross compensation.

Line 2A: Enter total sales.

Line 2B: Enter total sales outside of Philadelphia.

Line 2C: Divide Line 2B by Line 2A.

Line 2D: Determine the amount of commission earned outside of Philadelphia. Multiply Line 1B by 2C.

Line 2E (i): Enter total non-reimbursed business expenses allowable. Remember to submit a PA Schedule UE.

Line 2E (ii): Multiply amount on Line E (i) by the percentage on Line 2C.

Line 2E (iii): Enter deductible non-reimbursed employee business expenses, then subtract Line E (ii) from Line E (i).

Line 3: This amount of your compensation is subject to Philadelphia Wage Tax.

Line 4: Calculate the tax for January - June AND/OR July - December by the rates indicated on Line 4 of the Refund Petition.

Line 5: Combine the tax due from Line 4, column A and Line 4, column B.

Line 6: Insert Philadelphia Local wage tax withheld on box 19 of form W2.

Line 7: If Line 6 is higher than Line 5, the difference is your refund. If Line 6 is less than 5, that will be your balance due to the city of Philadelphia and you would be subject to file an Earnings tax return.

Mail completed petition to:

CITY OF PHILADELPHIA DEPARTMENT OF REVENUE
P.O. BOX 53360
PHILADELPHIA, PA 19105

Allow six to eight weeks for complete processing. Taxpayers who submit a petition through the mail may use the "Where's my refund?" feature on **tax-services.phila.gov**, however allow four weeks for the refund status to appear if submitting a paper petition.

For further information you may reach the Revenue Department Refund Unit at:

(215) 686-6574, 6575 or
6578

Send e-mail to **refund.unit@phila.gov**

Find prior year forms and instructions on the web at: **phila.gov/revenue**