

BOROUGH OF SHARPSVILLE/SCHOOL DISTRICT WAGE TAX OFFICE

Instructions for filing your 2010 local income tax return

- 1) Supply the name(s) and address for the individual(s) filing the return.
- 2) Supply Taxpayer's Social Security Number.
- 3) Supply Spouse's Social Security Number.
- 4) If you are permanently retired or disabled please indicate and provide the effective date.
- 5) If your address changed in 2010 please give new address and moving date.
- 6) List each employer, municipality where you report to work, taxes withheld and taxable income. Complete your return in its entirety. Accuracy and completeness is essential to avoid further communications and correspondence. **FIGURES MAY NOT BE ROUNDED OFF. USE ACTUAL FIGURES ONLY.** Enclose all appropriate Schedules, W-2's and 1099 Misc.
- 7) Net profit from the operation of a business, profession, or other activity, except corporations. PA Schedule C or C-F is required. If the PA Schedule C-F is used, provide a copy of Federal Schedule C or F.
- 8) Net losses. Taxpayers *may not* deduct proper, permitted business losses from wage and salary income. **The net loss of one business may be applied against the profits of another business.** Liability for earned income taxes on net profits is to be calculated for each business separately. PA Schedule C or C-F is required. If the PA Schedule C-F is used, provide a copy of Federal Schedule C or F.
- 9) Other Misc. earned income. Taxable 1099 Misc, income from business or profession equals total taxable income.
- 10) Allowable non-reimbursed employee business expenses: Include PA form UE (page 1 & 2) and Federal Form 2106. A detailed listing of misc. expenses is required. **Union dues are deductible.**
- 11) Total of W-2's, Taxable 1099 Misc, income (loss) from business or profession equals Total Taxable Income.
- 12) Taxable income multiplied by .01.
- 13) Subtract total local income tax withheld by employer(s) or self-paid.
- 14) Negative figure is a refund due. **(Under \$1.00 will not be refunded)**
- 15) Positive figure is tax payable. Your tax remittance, if any is due, must be paid at the time of filing.
- 16) \$ 10.00 Local Service Tax (LST) if not already paid (on earnings over \$ 1,000.00).
- 17) Late Filing Fee of \$ 10.00 if filed after April 15, 2011.
- 18) Penalty & Interest. (1% per month on any portion of tax that remains unpaid after the filing date of April 15th).
- 19) Total amount due with return. – **make checks payable to Sharpsville Wage Tax Office.**
- 20) Signatures of taxpayer and spouse.
- 21) Phone number of person filing this return & Date
- 22) Signature of person other than taxpayer or agent, preparing this return.
- 23) Phone number of person other than taxpayer completing this form.

- A. WHO MUST FILE:** Every resident of the Borough of Sharpville/SD who receives any income from salaries, wages, business or professions. If you notify this office that you are retired or permanently disabled and have no taxable income, your name will be removed from our files. However, if you did receive a tax form, return it and indicate retired or disabled.

PARTIAL YEAR RESIDENT: If you were a resident of this Borough for only a portion of 2010 you are required to file a tax form listing the applicable portion of your earnings for the period indicated, and also with the tax collector for the district in which you lived the other portion of the year. Please provide each address where you lived, the number of months that you lived there and a copy of the tax return from the other area.

RESIDENTS EMPLOYED OUT-OF-STATE: You must file a return with proof from your employer that the tax has been withheld and paid to a municipality outside of Pennsylvania. Credit will be given, BUT if your employer has deducted more than 1%, a refund CANNOT be issued for the difference because there is no reciprocation between Pennsylvania and out of State municipalities.

Failure to receive a tax form from this office is not a basis for not filing. Additional return forms may be obtained by contacting this office or at (724) 962-7896.

This office acquires and utilizes Pennsylvania Department of Revenue, individual income tax information regarding earned income and net profits.

B. A RETURN MUST BE FILED EVEN IF:

1. You are or were a student with earned income.
2. Your employer withheld the tax.

- C. TAX RATE:** The earned income tax rate for the Borough of Sharpville is 1% (.01) of the taxable income listed on line 11 of the tax return form.

- C. TAXABLE INCOME:** Net profits and earned income for the period January 1, 2010 through December 31, 2010. Taxable income includes: Gross salaries, wages, commissions, bonuses, drawing accounts, clergy pay, incentive payments, tips and gratuities, fees, earnings component of stock option plans when exercised, payments accruing from employment, fair market value of non-cash fringe benefits accruing by virtue of employment recognized as taxable by the PA Department of Revenue, taxes assumed by the employer for the employee, regular wages received during sickness or disability, employee contributions to deferred compensation plans, retirement benefit programs or cafeteria plans, value of meals and lodging furnished by employers to domestics unless provided for the convenience of the employer on the employer's premises and the employee is not required to reside on the premises, scholarships, stipends, grants and fellowships if services are rendered, National Guard pay and Military Reserve pay (except active duty), premature profit distributions not rolled over into a qualified plan, premature withdrawal from retirement plan on contribution not taxes when earned, cafeteria plan money, credits and cash reimbursements made by an employer for dependent care, legal services or other personal services, deferred compensation plan distribution to the extent that it exceeds employee contribution, back pay awards, covenants not to compete, termination or severance pay, golden parachute payments, taxpayer payments received in the form of debt forgiveness, deceased taxpayer's earned income and net profits, guaranteed payments received by individual partners of a partnership.

- E. NON-TAXABLE INCOME:** Sickness, disability, or retirement benefits paid other than regular wages, Public assistance, unemployment, workers' compensation, SUB pay or strike benefits, active military pay or bonuses (must provide orders), death benefits payable to a beneficiary or estate, proceeds of life insurance policies or annuities, cash or property received as a gift, personal interest or dividends, rents derived from mere "passive" or "investment" ownership, value of meals and lodging furnished by the employer to domestics for the convenience of the employer on the employer's premises, capital gains, social security benefits, VA allotments for subsistence or disability, income from pensions and retirement plans received upon retirement, lottery winnings, IRA payments received upon retirement, profits of limited partners within a limited partnership, net loss on a self-employment may be deducted only from that individual's earned income for that year, S Corporation income (this does not include compensation paid to the officer nor does this include any salaries, wages, commissions, fees, or other compensation received by an officer, director, stock holder or employee), distributions from deferred compensation plans to the extent the distributions are the taxpayers own contributions, damages for personal injuries, payments received for child support and alimony, scholarships and fellowships awarded on the basis of financial need or academic achievement, prizes and awards, profit from the casual sale of property, parsonage/housing/rent/utilities payment received by a member of the clergy, jury duty pay.

- F. SELF-EMPLOYMENT:** Self employment individuals are required to file a tax return even if you have sustained a net loss. Enclose a complete copy of the schedule including appropriate attachments showing the net profit or loss. If Federal 2106 is used a listing of expenses included on Line 4 is required. If expenses for business use of the home are included, provide a copy Federal Form 8829.

- G. EXTENSION REQUESTS:** We require a copy of your Federal Extension Form. It must be received in our office or post marked by April 15, 2011. If amount due is not paid by April 15, 2011 penalty and interest will be applied when the return is filed whether an extension is received or not.

- H. BAD CHECKS:** A fee of \$ 28.00 will be levied each time a check is returned by the bank.

- I. OFFICE HOURS:** The wage tax office is open daily 8:00 A.M. to 4:30 P.M. except holidays.

Borough of Sharpsville Taxpayers

Bill of Rights Notice

You are entitled to receive a written explanation of your rights with regard to the assessment, audit, appeal, enforcement, refund, and collection of certain Borough taxes. The written explanation is entitled ***The Borough of Sharpsville Taxpayers Bill of Rights Disclosure Statement***. Upon receiving a request from a Borough taxpayer, or if the Borough assesses, audits, enforces, or collects certain taxes, or, the taxpayer appeals any of the aforementioned, or requests a refund, the Borough will provide a copy of the disclosure statement at no charge. The taxpayer may request a copy in person, or by mailing a request to the following address:

The Borough of Sharpsville • 1 South Walnut Street • Sharpsville, PA 16150

A copy will be mailed if a call is made to the Borough at the following number:

(724) 962-7896

The office hours for the Borough are from 8:00 a.m. to 4:30 p.m. Monday through Friday.

SHARPSVILLE AREA SCHOOL DISTRICT TAXPAYERS BILL OF RIGHTS NOTICE

You are entitled to receive a written explanation of your rights with regard to the assessment, audit, appeal, enforcement, refund, and collection of certain school district taxes. The written explanation is entitled ***Sharpsville Area School District Taxpayers Bill of Rights Disclosure Statement***. Upon receiving a request from you, the School District will give you a copy of the ***Disclosure Statement*** at no charge. You may request a copy in person, or by mailing a request to the following address: Sharpsville Area School District, 701 W. Seventh Street, Sharpsville, PA 16150. A copy will also be mailed to you if you call the School District at the following number: (724) 962-7874. You may call the above telephone number or appear in person at the above address to request a copy during the hours of 9:00 a.m. to 4:00 p.m. on any weekday other than a holiday.