



LANCASTER COUNTY TAX COLLECTION BUREAU

1845 William Penn Way, Lancaster, PA 17601

www.lctcb.org

info@lctcb.org

717.569.4521

Local Earned Income Tax – Failure to File Notice

Frequently Asked Questions

What is Local Earned Income Tax?

Municipalities and school districts in Pennsylvania are permitted by law to pass ordinances and resolutions to levy and collect a local earned income tax on individual gross earned income/compensation and net profits. The Local Earned Income Tax is separate from the Pennsylvania Personal Income Tax.

Why did I receive a Failure to File Notice?

There are two compliance efforts done by LCTCB that generate Failure to File Notices:

1. You filed a PA State Income Tax Return and reported taxable compensation to the state and indicated you were a resident of a school district and municipality in the LCTCB jurisdiction.
2. A general Nonfiler notice for not filing a tax return if you had filed a return with LCTCB previously but not filed for the current year OR if we have received withholdings from an employer for you but you have not filed a tax return.

What is taxable earned income?

In general, amounts reportable on the Pennsylvania return as "**gross compensation**", with the exception of housing allowance (currently PA-40 line 1a) **AND** amounts reportable on the Pennsylvania return as "**net income from the operation of a business, profession or farm**" (currently PA-40 line 4) are reportable on the Local Tax Return as income.

Are Executor/Executrix fees taxable?

Yes, income received from fees for these services is taxable.

Is there a late filing fee?

There may be a \$25.00 fee for failure to file a Local Earned Income Tax Return by April 15th of the following tax year. The fee is per individual. Persons filing a combined return with a spouse could owe a late filing fee of \$50.00.

Can the fee be deducted from my refund?

Yes, you can deduct the fee from your refund, if it is determined by LCTCB to be an accurate refund request.

I used TurboTax, why didn't you receive my return?

While TurboTax can file Federal and PA State tax returns it DOES NOT have the functionality to create and file PA Local Earned Income Tax returns.



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If I owe taxes, can I set up a Payment Plan?

LCTCB provides a program to assist taxpayers who are delinquent in payment of their Earned Income Tax liability. This written contract allows taxpayers to make periodic installments of taxes due plus penalties, interest and fees. This program is administered in accordance with P.L. 1257, No. 511 and Amendments, Section 512 of the Bureau's regulations and the prevailing fee schedule of the Bureau. To complete a Payment Plan Request Form, see the link to the LCTCB Payment Plan Guidelines on the Individual tab of this website.

What should I do if I was a part year resident of Pennsylvania?

You are required to file a return and report the income earned for any part of the year you were a resident of a school district and municipality for which LCTCB is the collector.

All my taxes were withheld by my Employer. Am I still required to file?

Yes, you are required to file a return.

What should I do if I filed a return with another tax collector?

Send a copy of the tax return along with the W2's and schedules that were filed with the other collector and the Failure to File Notice

What if I think I received this notice in error?

You may **not** be required to file if certain conditions apply. In order to update our records and avoid future notices, please supply adequate documentation supporting your claim. Below are a few examples of cases when a filing *may not be required*? Call or email for specific instructions.

- If you filed a PA Non-Resident returns
- You receive S-Corp earnings with the exception of wages.
- Never lived in Lancaster County and/or the School District indicated in the letter.
- Active Duty Military
- Under 16 years of age

What if I do not have my W2's?

Wage transcripts can be obtained through the Internal Revenue Service or by contacting your employer.

Please Note: IRS wage transcripts will not show the Local Earned Income Tax withheld. To receive credit for local tax withheld you may be required to provide a copy of the W2'(s).

What if I cannot respond by the due date of the Failure to File Notice?

In order to avoid further legal action, please respond by the due date indicated on the letter. Extension of time will not be granted.

Additional information regarding the Local Earned Income Tax can be found under the Rules and Regulations tab.