



# Lancaster County Tax Collection Bureau

## Taxpayer Bill of Rights Disclosure Statement

### Effective January 1, 2012

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### I. General Rights and Obligations

Lancaster County Tax Collection Bureau (the "Bureau") collects earned income tax and local services tax.

#### Individual Obligation

**Earned Income Tax.** All residents of Lancaster County and Octorara Area School District in Chester County who are sixteen years of age or older, who are not fully retired or totally disabled, and who have earned income or net profits, are required to pay tax at the rate established by the school district and municipality of the place of residence. These individuals are required to file a tax return whether or not any tax remains due at the time tax returns are required to be filed.

Nonresidents who are sixteen years of age or older are required to pay tax on earned income or net profits derived from an occupation engaged in within the boundaries of a municipality within Lancaster County and Octorara Area School District in Chester County that imposes nonresident tax. Nonresident tax is owed to the municipality where the workplace is located at the rate established by the municipality. A nonresident subject to nonresident tax is required to file a tax return if, and only if, the nonresident is not entitled to a tax credit for resident tax that negates the full amount of the nonresident tax that would be owed in the absence of the credit and: (1) the nonresident is an employee whose employer has not withheld the full amount of nonresident tax owed based on earned income; or (2) the nonresident owes tax based on net profits.

**Local Services Tax.** It is the obligation of all individuals who engage in an occupation within the boundaries of a municipality or school district for which the Bureau collects a local services tax to pay the tax, and to file tax returns to the extent required under tax enactments and regulations relating to the tax.

Individuals are required to comply with requirements of the Local Tax Enabling Act, 53 P.S. § 6924.101 *et seq.*, DCED Regulations, Bureau Regulations, school district and municipal tax enactments, and other applicable law.

#### Employer Obligation

Employers are required to withhold both earned income tax and local services tax from compensation of employees.

Employers are required to comply with requirements of the Local Tax Enabling Act, 53 P.S. § 6924.101 *et seq.*, DCED Regulations, Bureau Regulations, school district and municipal tax enactments, and other applicable law.



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#### **Bureau Obligation**

It is the obligation of the Bureau to fairly, consistently and uniformly apply its regulations and administer the collection of taxes applicable to taxpayers residing or working within its jurisdiction. The Bureau has the responsibility for the audit, assessment, collection, determination and administration of such "eligible" taxes in accordance with the Local Taxpayers Bill of Rights, 53 Pa.C.S.A. § 8421 *et seq.*, regulations, tax enactments, and other applicable law.

In all Bureau correspondence requesting information from taxpayers, the Bureau will include **Notice of Procedures to request Extension of Time**. In all Bureau correspondence to a taxpayer regarding assessment, audit, determination, review, or collection of tax, the Bureau will include a **Taxpayer Bill of Rights Notice**.

#### **Right to Privacy and Confidentiality of Tax Information**

In discharging its duties, the Bureau shall keep confidential all information gained as a result of any return, report, audit, investigation, hearing or verification, except as required for official purposes or by law.

#### **Right to Courteous and Professional Service**

The Bureau will treat taxpayers courteously and professionally at all times. If a taxpayer is not satisfied with the manner in which they were treated or has any other complaint regarding actions taken by the Bureau, a detailed written statement describing the incident should be sent to the Executive Director of the Bureau.

#### **Failure to Comply Does Not Excuse Tax Payment**

Unless expressly provided in the Local Taxpayer Bill of Rights, 53 Pa.C.S.A. § 8421 *et seq.*, the failure of any Bureau representative to comply with any provision of this Disclosure Statement, the Local Taxpayer Bill of Rights, regulations, or other applicable law will not excuse the taxpayer from paying taxes owed.

## **II. Rights and Obligations Regarding Requests for Information or Review of Records**

In fulfilling its obligations, the Bureau is sometimes required to request additional information and/or review a taxpayer's books and records. This review does not suggest or imply that an individual is dishonest. The Bureau will endeavor to resolve these issues by mail or telephone when possible. Except for requests made in connection with a tax appeal petition, taxpayers will be given 30 days to respond to requests for information.

#### **Right to Request Extensions of Time**

Taxpayers have the right to request extensions of time to respond with information. Upon receipt of a written request, the Bureau will grant reasonable extensions of time if there is "good cause". The Bureau will take no legal action against a taxpayer for a tax year until the expiration of the response period and approved extensions.



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#### Request for Prior Year Returns

The initial request may cover only taxes to be filed or paid no more than 3 years prior to the mailing date of the request for tax returns and/or supporting information. Subsequent requests for additional tax returns or supporting information may be made after the initial request, if the Bureau determines that the taxpayer failed to file a tax return, underreported income, or failed to pay a tax for one or more of the tax periods covered by the initial request.

#### Request for Federal Tax Information

The Bureau may require a taxpayer to provide copies of the taxpayer's federal individual income tax returns if the Bureau can show that the information is reasonably necessary for enforcement or collection of tax if not available from other sources or the Pennsylvania Department of Revenue.

A taxpayer may request or the Bureau may provide for a personal interview. If an interview is necessary, an attempt will be made to schedule the meeting at a convenient and reasonable time and place for the taxpayer and the Bureau. Through the review process taxpayers have the following rights in addition to the rights stated above.

#### Right to Representation

Taxpayers may represent themselves or have someone else represent them with proper written authorization. Someone may accompany the taxpayer at a meeting or hearing conducted by the Bureau.

A notice or other written communication from the Bureau to the taxpayer may be given to the taxpayer's authorized representative, and any such notice or other communication shall have the same effect as if given to the taxpayer directly. Action taken by taxpayer's authorized representative shall have the same force and effect as if taken by the taxpayer.

#### Right to Timely Determination

The Bureau will process the review in a timely manner. A detailed written statement of any tax liability determined as a result of a review will also be issued. This notice will include the amount of underpayment detailed by tax period, a detailed listing of adjustments made to the tax return(s) and the legal basis for the revisions.

### III. Procedures for Refund of Overpaid Tax

If a taxpayer has overpaid a tax, a request for refund of overpaid taxes must be filed with the Bureau. This request may take the form of an amended tax return, other appropriate written request, or a written petition to the tax appeal board. Sufficient information must be provided to substantiate the request. Refund requests for earned income tax shall be filed within 3 years after the due date for filing the return, as extended, or one year after actual payment of the tax, whichever is later. Refund requests for local services tax shall be filed within 3 years after the due date for payment of the tax, or one year after actual payment of the tax, whichever is later.



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Subject to certain exceptions, the Bureau will pay interest at a rate determined pursuant to state law from date of overpayment.

Petitions for appeal from denials of requests for refunds of overpaid taxes must be submitted as set forth in the Bureau **Tax Appeal Board Regulations**.

#### **IV. Procedures for Appeals and Hearings**

The Bureau has established an administrative process to receive appeals and make determinations on petitions from taxpayers, employers, political subdivisions, other tax collectors, and other tax collection committees relating to the appeal from determinations made by the Bureau. This process is set forth in the Bureau **Tax Appeal Board Regulations**. The Bureau **Tax Appeal Board Regulations** are available on the Bureau website, and will be provided by the Bureau to any individual on request.

#### **V. Enforcement Procedures and Methods**

If the Bureau determines that a required return has not been filed, or a liability has not been paid, it has certain rights granted by law that describe how to enforce a taxpayer's obligation. In these cases, the Bureau may take actions including the following:

- 1) The Bureau may assess interest, penalties, and costs of collection against a delinquent taxpayer or employer.
- 2) The Bureau may request taxpayer interview and audit.
- 3) The Bureau may contact a delinquent taxpayer and attempt to resolve the liability through payment in full, installment payment plan, or compromise.
- 4) The Bureau may employ collection agencies or legal counsel to assist in the collection of delinquent taxes.
- 5) The Bureau may garnish the wages of a delinquent taxpayer in accordance with the Local Tax Enabling Act.
- 6) The Bureau may file a civil suit (action in assumpsit) against a delinquent taxpayer, employer, and/or the responsible party.
- 7) The Bureau may file a lien against a delinquent taxpayer or employer.
- 8) The Bureau may file a criminal complaint against a delinquent taxpayer, employer, and/or the responsible party. 53 P.S. § 6924.509(j)(1) provides potential criminal penalties for all taxpayers of up to \$2,500 for each offense and imprisonment for failure to pay fines and costs, and 53 P.S. § 6924.509(j)(2) provides potential criminal penalties for employers who willfully fail to collect or account for and distribute income taxes up to \$25,000 or imprisonment up to 2 years, or both.



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9) The Bureau may hold employers and officers liable for failure to make or remit deductions from employee compensation. An employer who willfully or negligently fails or omits to make the required deductions shall be liable for payment of tax which the employer was required to withhold to the extent that tax has not been recovered from the employee. If the employer is a partnership, the partners thereof, and if the employer is a corporation, limited liability company, or other organization or entity, all officers thereof, and any other person responsible for tax matters, shall have the same liability as the employer. The failure or omission of any employer to make the required deductions shall not relieve any employee from payment of tax or from complying with the requirements for filing of returns.