Delaware Township

Earned Income Tax

January 14th, 2016

berkheimer
tax innovations

50 N 7th Street
Bangor, PA 18013-1796
Phone: (610)588-0965
Fax: (610)588-5765
www.hab-inc.com

berkheimer
tax innovations

Delaware Township
Krista Predmore
116 Wilson Hill Road
Dingmans Ferry, PA 18328

RE: Full Administration Earned Income Tax Services

Dear Ms. Predmore,

Berkheimer Tax Administrator is pleased to submit this proposal for administration of Delaware Township's Earned Income Taxes.

We believe that we are uniquely qualified to best perform tax administration services for your community. Our experienced staff of professionals, aided by state-of-the-art equipment, has considerable experience in increasing collections and information flow. The comprehensive nature of our services, provides a "One-Stop-Shop" for all your collections needs. All aspects of service are controlled in-house with no subcontractors, forming a seamless administration. This maximizes cash flow to you.

Our size, statewide footprint and 80 plus years of tax administration experience, allow us to provide technology and service that is un-matched by any other collector, at an economy of scale that allows for lower collection costs.

We appreciate this opportunity to be of service, and look forward to a collection effort of which we can be mutually proud. Thank You ....*very much!*

If you have any additional questions, or would like to tour our facilities, please feel free to contact me directly or your Field Representative, Pearl Salvo, at 800-824-2409 or (570) 479-3805 Cell, psalvo@hab-inc.com.

BERKHEIMER TAX ADMINISTRATOR

Patti McNamara

Patricia A. McNamara, President
Direct Dial Extension 2359

Table of Contents

berkheimer tax innovations

Letter of Introduction....1

Table of Contents....2

History....3

Beliefs and Values....4

Basic Collection Mechanics....6

The Berkheimer Advantage....7

Service Highlights....9

Team Member Profiles....12

Organizational Chart Tax Flow Chart....14

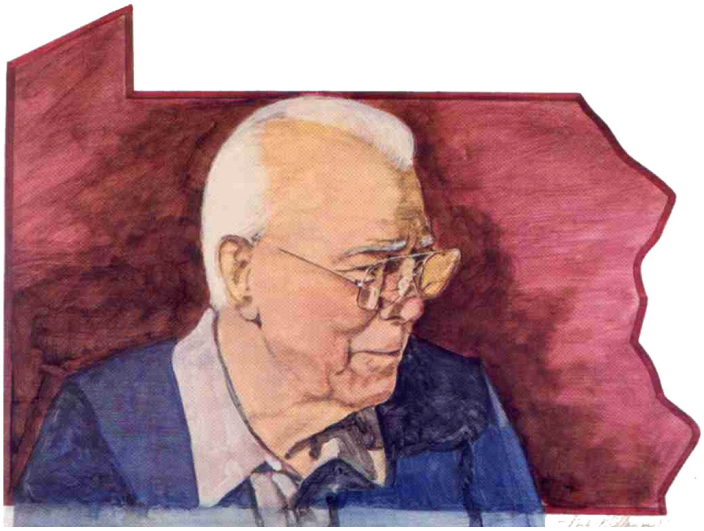
Compensation....15

Why Berkheimer?....16

Webpage....17

Sample Forms....18

berkheimer tax innovations



A Blend of Technology & Tradition

Harry A. Berkheimer began collecting taxes in 1936. In 1946 he founded a modest tax collection service in Bangor, Pennsylvania. We have decades of experience with collection and administration of all local tax types and were the first to administer the Earned Income Tax in 1965.

Today, the Berkheimer tradition continues to prosper... Over 80 years, 19 statewide office locations, over 380 professional staff members and a state-of-the-art paperless processing system attest to our commitment and ability to provide the highest levels of service, coupled with year-after-year revenue increases for our clients statewide.

With over 1200 municipalities and boroughs utilizing our services to administer their collections, we have distributed over a half billion dollars annually in each of the last 5 years to our client, comprised of all types of ACT 511 tax collections including Earned Income, Local Services, Business Privilege/Mercantile and Per Capita Taxes.

H. A. Berkheimer's dream continues to unfold, moving forward in step with the needs of people throughout Pennsylvania.

Berkheimer Beliefs and Values

berkheimer tax innovations

People
The fundamental strength of our Company lies in our co-workers. People are our greatest asset and our greatest challenge... that of proper motivation and utilization

The Customer
Keeping in mind that we EXIST, and are provided with the stewardship with which to accomplish the other values, solely because of the customer. We must provide the best possible service. Every person here is in the customer service business... either directly or by serving those who serve the customer. Without the customer... none of us have job security.

Team Work
In order to become greater than the sum of our parts, each person's success influences the successes of others. Only by working together can we create results larger than individual contributions.

Honesty and Integrity
Communications at all levels must be open, consistent, clear and honest. I cannot mandate this. The success in implementation of this goal is the result of the proper management foundation and hence, and atmosphere or culture. This involves the conduct of business in an ethical manner.

Innovation
We need people to be creative and take purposeful risks and we must insist on an atmosphere where suggestions and comments are not only encouraged, but expected, as part of a responsibility to each other.

Management Responsibility
The primary responsibility of every supervisor is to empower others, to act as a "coach" in helping each individual to do a better job in providing a quality service to our customers. We are all ordinary people striving to help each other make an extraordinary contribution to help fulfill our personal goals.

Long Term Profit
Profit is simply a measure of how well we are doing... a way of keeping score and providing the "Seed Corn" we need to reinvest in the business. This translates our vision of future possibilities into real opportunities for growth and positive change. Without long term profit, the majority of which Berkheimer has reinvested in the business, our company cannot survive and provide a meaningful return to all of us for the time and effort we put in.

Berkheimer Beliefs and Values

berkheimer tax innovations

Company's leadership statement

At Berkheimer we believe effective leadership, communication, knowledge and teamwork drive the success of our organization.

Our leaders are guided by a simple principle; to Lead by Example.

Many of our leaders have "grown" through Berkheimer and have a distinct understanding of the operational details of local tax administration. They utilize this advantage to teach employees innovative ways to streamline current processes.

These initiatives in turn provide improved services and maximized revenues which align to our commitment and dedication to make decisions that benefit taxpayers, clients and the organization alike.

Company's ethics statement

The following statement appears in our employee handbook and makes up the core of how we expect our employees to perform.

"The successful business operation and reputation of the Company is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of the Company is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to the Company, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

The Company will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

Basic Collection Mechanics

berkheimer tax innovations

The following is a general outline of the scope of service to be performed in the administration and collection of the Earned Income Tax for your political subdivision. If appointed, Berkheimer is prepared to implement a system designed to preserve the integrity of the current collection and streamline the flow of money and information to the political subdivision. Services to be rendered would include, but not be limited to:

1. Provide, all forms, envelopes, or other printed matter necessary to administer these taxes. These services are provided by our in-house printing department. Complete control of this aspect of service is imperative to ensure prompt delivery of forms and reports to individuals and area businesses. Special mailings can be handled at a moment's notice. Changing laws and requirements demand the ability to take printed matter from conception to completion in less than twenty-four hours...Berkheimer delivers.

2. Maintain and update the tax roll with information provided by the political subdivision.

4. Process all receipts and disburse on a weekly basis or more often as receipts warrant. Tax revenues will be electronically transferred to any account designated by the Township.

5. Provide, at our expense, complete bonding on all monies remaining undistributed at any one time.

6. Pursue via our Delinquent Department, delinquent Earned Income Tax

7. Provide accurate and timely reconciliation of all billing.

9. Make available for audit, at a mutually agreeable time and place, all pertinent reports, forms and records regarding the Earned Income Tax

The Berkheimer Advantage

berkheimer tax innovations

Berkheimer's performance proven tax administration system has historically been able to streamline and upgrade collections. Ceaseless refinement of systems and services has resulted in programs tailored to fit the needs of diverse clients and the way they work.

Unlike competitors who seem to have suddenly discovered words like "cash flow" and "efficiency", Berkheimer has spent the last decade becoming synonymous with innovative, intelligent financial engineering. The integrity of our collection and administration of Act 511 taxes is the result of a single-minded dedication to technical excellence that explains, in great measure, our dynamic success.

The most powerful equipment in the world can in no way substitute for personal service. At another level, a less superficial one at that, is an attitude...a spirit...the belief that nothing of superior caliber is possible without a commitment to excellence and team work.

At Berkheimer, we believe it is this spirit that separates us from the many other service bureaus and collection agencies. These qualities contribute to the design of programs to produce and ensure more tax dollars and better support services such as:

- **Sophisticated Information Systems**

State-of-the-art data processing equipment backed by a knowledgeable in-house programming staff. A full staff of full-time programmer/analysts support and create the software necessary to ensure user satisfaction. The Berkheimer solution also ensures that all functions needed to implement, execute and succeed with your collection.

Beyond our significant internal software development projects, our core technology focus is on two things: the enhancement of client satisfaction (increased recovery rate, faster distribution, taxpayer satisfaction) and increased efficiency. Over the last 60 years we have been pioneers in the application of state-of-the-art technologies to the tax collection business, continually redefining ourselves. From what we can tell, we were the first to apply variable print technology, document scanning, and optical character recognition to tax forms (more than a decade ago).

berkheimer tax innovations

- **State-of the Art Technology**

All of our outbound forms and correspondence have been custom designed and refined by our in-house forms designers. Our forms have been designed with great care and testing to be taxpayer and automation compatible. Over the years these forms have become the industry standard. In fact many of our competitors use "knockoffs" of our forms. Production print runs are generated on high-speed, color-highlight laser printers. These forms are inserted on production mail equipment at speeds over 10,000 per hour and mailed ensuring the greatest possible postage discounts.

Incoming Payments are processed using an Image-Enabled Remittance processing system. By utilizing this OCR based payment processing system, we can post payments and deposit checks (via Check 21) at rates over 15,000 per hour. Images of the checks are tied to the tax account and are available for instant recall. This means that we can post payment to an individual tax account and disburse payment within hours of receipt.

Incoming Documents are imaged using industrial document imaging equipment at rates over 10,000 images per hour. The images are processed with optical character recognition (OCR) to automatically extract the data from the forms. This significantly reduces the amount of data entry required. The latest in Unstructured OCR technology is applied to incoming documents that are not submitted on our pre-printed forms. This relatively new, complex technology allows us to gain similar reduction in data entry on ALL incoming documents, not just our forms. Images of the documents are tied to the taxpayer accounts, allowing for immediate retrieval by tax auditors and customer service representatives.

Berkheimer is equipped with a state of the art phone system, allowing for the routing of incoming calls by tax type. Skill sets can be established for every representative, allowing for the distribution of calls to the individuals that can answer the question. In peak call times, such as April 15, calls can be re-routed to other departments or branch offices. This allows us to handle the thousands of phone calls that come in during this period with an average wait time of less than 2 minutes. April 15th , 2015 we handled 11,371 phone calls with an average wait time of 1 minute 34 seconds.

Service Highlights

berkheimer tax innovations

- **Fast Cash**

Berkheimer utilizes a sophisticated remittance processing system. This same equipment which is utilized by most major banks and high volume lock box providers enhances and streamlines our remittance process while ensuring accuracy of payments posted. Funds to are identified daily and automatically disbursed to your account on a weekly basis

- **Tax Roll Maintenance**

A comprehensive system of tax roll analysis. The database is perpetually in a state of flux as information is edited on a daily basis. Taxpayers are regularly polled in questionnaire form if their status is in doubt. Our experience in census and enumeration has helped us to develop the most comprehensive tax rolls in the industry. Using everything from existing tax rolls, PUC listings, 911 lists, the telephone directory and various information provided by our clients, Berkheimer keeps things current.

- **Customer Care Department**

Representatives are trained professionals available to provide taxpayers with prompt and courteous service. Each representative has access to our imaging systems, providing on-line taxpayer information to them as they respond to taxpayer's telephone inquiry. Personal service along with the major capital investments made by Berkheimer in such state-of-the-art technology and equipment are designed to provide our clients and taxpayers with the best possible service available.

- **Taxpayer Audits**

Audit and investigate all tax returns of a questionable nature. Berkheimer maintains a separate auditing department for this purpose. This is critical in maximizing collections and overall administration of the taxes levied by the client and outlined herein.

- **Integral Delinquent Collection**

Assume responsibility for any and all delinquent tax accounts. Our Delinquent Department will continue to pursue delinquent accounts for as many outstanding years as the law allows.

- **On-staff Attorney**

Provide, at our expense, legal representation in regard to all matters pertaining to the tax and/or its administration. Through the use of our in-house and on-staff attorney, Berkheimer is able to provide legal guidance and assistance to the Solicitor as well as handle all appeals relative to delinquent collections. If you choose, and upon appointment, Berkheimer can provided Tax Hearing Officer services.

berkheimer tax innovations

- **Client Service Representatives**

Provide budgetary counseling through the utilization of our precision accounting system. This allows us to have a finger on the pulse of our client's fiscal situation and provides an accurate picture of future revenue from any levy administered by Berkheimer.

- **SOC 16 Audit**

The SOC 16 Audit is applicable when an auditor is auditing the financial statements of an organization that obtains substantial services from a service organization such as Berkheimer. The SOC 16 Audit engagement provides for a service organization to have its control policies and procedures evaluated and tested by an independent party. We have enclosed with this proposal, a copy of our latest SOC 16 Audit. This Audit contains valuable information for your auditors to assist them in planning for the audit of your financial statements and records.

- **Local Offices**

A statewide office network ensures that every client and its taxables have access to personalized service. Telephone access and a local identity make collection and administration flow smoothly.

- **Bonding**

Provide, at our expense, complete bonding on all monies remaining undistributed at any one time.

- **Accounting for the 21st Century**

A sophisticated set of internal controls that eliminate the need to maintain a separate bank account for each client and every tax. This proven and fully documented system allows us to co-mingle funds for rapid deployment to your account and yet provide to-the-penny audit trails. Time lost in processing a multitude of banks and accounts can mean tardy distribution of funds.

- **Financial Reconciliation**

Detailed reporting to the Political Subdivision, on a monthly basis, reconciling all disbursements for the month. Berkheimer's financial system provides the Finance Department with up-to-the-minute information allowing for the constant monitoring of collections. As a result, daily or weekly disbursements are verifiable to the penny

eliminating guesswork intermediate distributions.

- **EFT/EDI**

Tax revenues are electronically transferred to any account designated by you. Berkheimer's computerized system provides for instantaneous use of funds. At the option of any taxing jurisdiction, funds may be deposited directly with your choice of financial institution. Additionally, Berkheimer can receive as well as transmit employer data electronically.

- **24 Hour Access**

Our electronic information and payment center is available to your taxpayers around the clock, 365 days a year. We provide communication and answers when it's convenient for you. Additionally information is available on our web site at http://www.hab-inc.com.

- **Reports . . .**

Provide a "Disbursement History" report annually and upon request. This report graphically illustrates cash flow and revenue trends for all tax levies. The report is particularly useful in determining budget figures. It compares tax yield on a month-to-date, year-to-date and percentage of previous year and month basis.

- **AND MORE Reports**

Utilize our database to provide statistical information used in obtaining Federal and State funding. These systems, specially engineered to analyze and report data gathered in the course of other operations, can become a financially lifesaving by-product of using Berkheimer's collection expertise.

Team Profiles

berkheimer tax innovations

JOHN D. BERKHEIMER, Chairman of the Board

John has been active in the company as the second generation since 1974. He holds a Bachelors degree in Economics from Moravian College. He became corporate Vice President in 1978 and subsequently president in 1982.

John currently serves as Board Chair. Major accomplishments include advancing Berkheimer Associates to achieve industry dominance by ceasing to run a business, and instead, building an organization.

He has been active in philanthropic and community endeavors including 3 years as chairman of a 250 bed community hospital. He currently serves on several corporate boards in Banking, Manufacturing, and BiTMICRO Networks, an international technology company based in Silicon Valley.

John is also a commercial pilot.

PATTI McNAMARA, President

Patti has been a star player in the organization since 1992 beginning service as a Tax Forms Processor in the Earned Income Tax Department. She has held most every position in the company as well as various supervisory and managerial positions helping to establish controls and procedures.

Patti was promoted to President in 2004. Her depth of knowledge, boots-on-the-ground experience, and ability to think out of the box has made her a proven resource to company and co-worker alike.

Patti serves on the DCED Act 32 task force and various sub-committees.

HENRY U. SANDT, JR., Secretary/Treasurer/Chief Financial Officer

Henry holds a B.S. degree in Accounting. He has been with Berkheimer since 1976. He is currently Chief Financial Officer. Henry has been responsible for the development of all Agency and Corporate accounting and auditing systems in use today. He is a member of the Institute of Management Accountants and the Treasury Management Association and participates in various continuing education programs. Henry also serves on the Board of Directors of Bible Fellowship Church Homes, Inc., a 150 bed personal and skilled health care facility and retirement community.

berkheimer tax innovations

JIM HUNT, Director of Governmental Relations

Jim currently serves in the position of Director of Governmental Relations. In his current positon Jim will be working with state. Local and professional agencies to incre3ase knowledge on local taxation and help to improve the processes that are part of it. He has been with the company for 20 years, first as a field representative and then as district manager (2000 to 2004), before assuming the position of Director of Sales and Client Services in April 2004 a positon he held until March 2015 when he was named to his current one. He has been a member of the Pennsylvania Business Privilege & Mercantile Tax Collectors Association for 16 years and ACT 32 certified since 2012. Jim is a frequent lecturer at Tax Preparer Seminars throughout the Commonwealth. Jim and his family currently reside in Montgomery County, PA. He currently also serves as softball coach and president for West Norriton Girls Athletic Association.

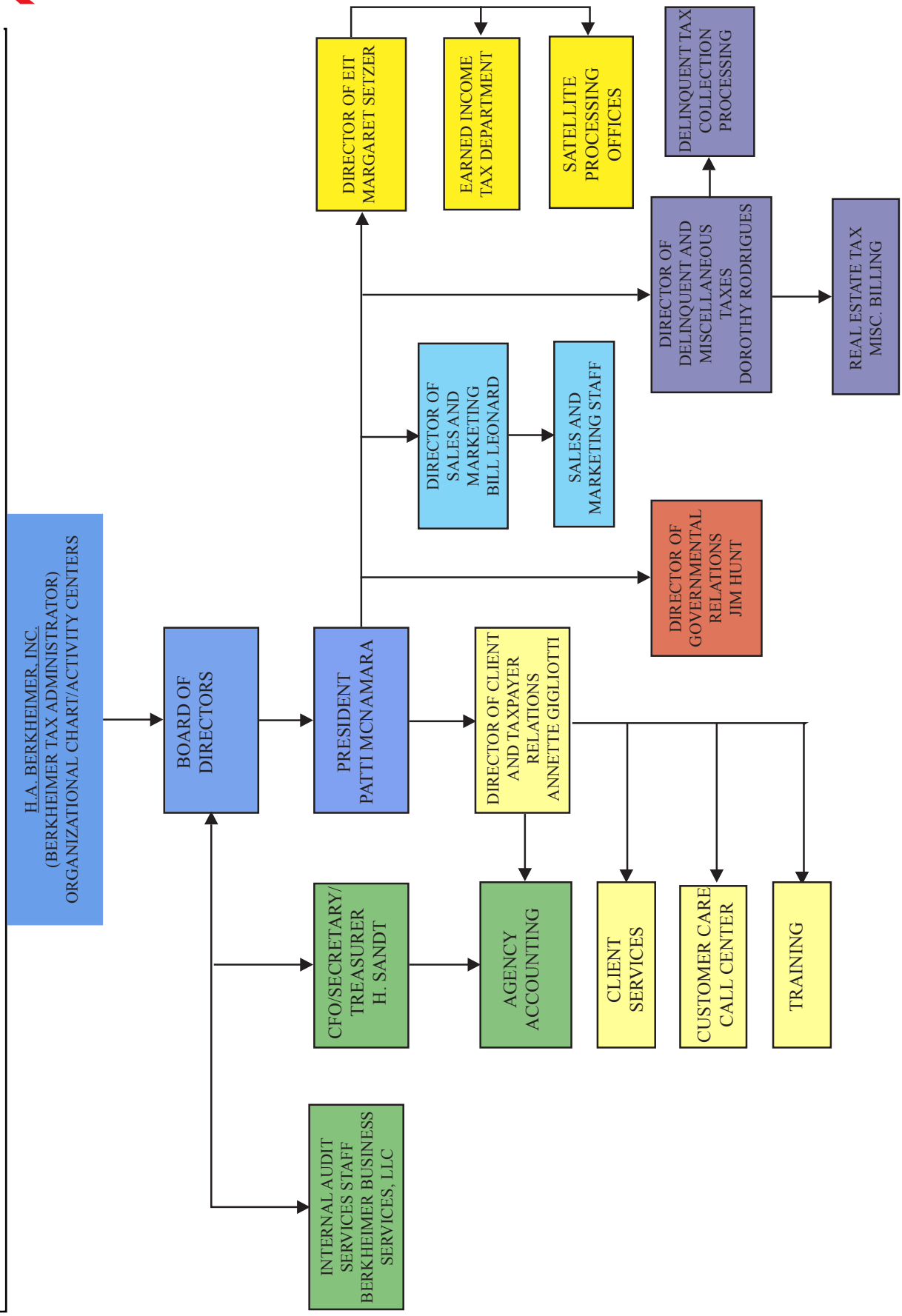
DAVID GORDON, Attorney

Dave is a practicing licensed attorney in the Commonwealth of Pennsylvania. He received his Bachelor of Arts (cum laude) in political science in 1984 from Syracuse University.
In 1987 he graduated from Dickinson School of Law with a Juris Doctor degree passing the Pennsylvania State Bar in that same year.
Dave has served in the capacity of General Counsel for Berkheimer since January 1989. As legal counsel he regularly advises the agency and its municipal clients on local tax matters, conducts in-house training for its various departments and represents the company in tax collection litigation as necessary.
Dave has also developed course text and conducts seminars involving The Local Tax Enabling Act. Dave's expertise in Act 511, Act 32, and Pennsylvania local taxation has made him a much sought after resource at all levels of government. He has most recently served on the DCED Act 32 Task Force and various subcommittees.

PEARL L. SALVO, Field Representative

Pearl has been with Berkheimer as a Field Representative since January, 2008. Prior to assuming her current position, she was employed in various accounting and financial management roles for 25 plus years. She attended Luzerne County Community College and Penn State University. She resides in the Pittston Area.

berkheimer
tax innovations


H.A. BERKHEIMER, INC.
(BERKHEIMER TAX ADMINISTRATOR)
ORGANIZATIONAL CHART/ACTIVITY CENTERS
BOARD OF DIRECTORS
PRESIDENT
PATTI MCNAMARA
DIRECTOR OF EIT
MARGARET SETZER
EARNED INCOME
TAX DEPARTMENT
SATELLITE
PROCESSING
OFFICES
DIRECTOR OF
DELINQUENT AND
MISCELLANEOUS
TAXES
DOROTHY RODRIGUES
DELINQUENT TAX
COLLECTION
PROCESSING
REAL ESTATE TAX
MISC. BILLING
DIRECTOR OF
SALES AND
MARKETING
BILL LEONARD
SALES AND
MARKETING STAFF
DIRECTOR OF
GOVERNMENTAL
RELATIONS
JIM HUNT
DIRECTOR OF CLIENT
AND TAXPAYER
RELATIONS
ANNETTE GIGLIOTTI
CFO/SECRETARY/
TREASURER
H. SANDT
AGENCY
ACCOUNTING
CLIENT
SERVICES
CUSTOMER CARE
CALL CENTER
TRAINING
INTERNAL AUDIT
SERVICES STAFF
BERKHEIMER BUSINESS
SERVICES, LLC

Compensation

Berkheimer can provide services such as those listed in this proposal for a commission based upon taxes collected and disbursed to the client.

Earned Income Tax:	***3%***

Why Berkheimer?

Experience

-ACT 511 administrators since its inception in 1965

Customer Service

- Dedicated staff of 25 + Customer Care representatives

Technology

- Internally developed programs –
- 18 Dedicated programmers on staff

Timely Distributions

- Current clients enjoy no less then twice week distributions and more frequent as collection trends require.

SOC 16

- We just completed our 11th straight successful SOC 16 audit.

berk-e
ONLINE TAX SOLUTIONS

We provide the web based portal and convenience your taxpayers have come to expect from their bank or retailer.

Review our online filing procedures at: www.hab-inc.com.
On Line Filing and Payment

berkheimer tax administrator
PO Box 25157
Lehigh Valley, PA 18002-5157

QUARTERLY ESTIMATED
Local Earned Income Tax Withholding

FORM **DQ-1**

RECORD OF ESTIMATED TAX PAYMENTS

Please keep a record of your payments on the schedule below. The total tax payments should be entered on line 11 of your Local Earned Income Tax Return, to be filed by April 15 of the following year.

Payment	Tax	Penalty & Interest	Delinquent Cost	Due Date
1st Quarter				04/30/12
2nd Quarter				07/31/12
3rd Quarter				10/31/12
4th Quarter				01/31/13

Total $ _____

File your quarterly DQ-1 return online at **www.berk-e.com**

GENERAL INSTRUCTIONS FOR FILING DQ-1-QUARTERLY ESTIMATED EARNED INCOME TAX FORM

Berkheimer is the administrator of the Earned Income Tax, which is levied by your local Township, Borough, City and/or School District.

WHO MUST FILE: All self-employed taxpayers who have gross earnings for services rendered are required to pay their tax on or before the quarterly due dates. Also, taxpayers who receive regular wages from an employer, but DO NOT have their Earned Income Tax withheld OR do not have the full amount withheld, must pay their tax quarterly.

NOTE: Act 32 requires all Pennsylvania employers to withhold the earned income tax from their employees' pay at a rate equal to either the rate due the employee's place of residence or the tax rate due their place of employment, whichever is higher. Individuals who do not have the tax withheld, are required to pay the higher of the two tax rates, if applicable.

HOW TO COMPUTE TAX: The tax can be computed either by estimating your earnings and paying an estimated tax, or by paying the tax on your actual earnings each quarter. Round figures to the nearest whole dollar. If your employer withholds part of the tax, the amount withheld for the quarter should be deducted from your quarterly payment. Calculate tax due using either your resident tax rate or work location tax rate, whichever is higher. Visit http://munstatspa.dced.state.pa.us/FindLocalTax.aspx to determine your applicable tax rate.

PAYMENT AND RECEIPT: Please file your quarterly DQ-1 return online at www.berk-e.com . Alternatively, you can mail your paper return to: Berkheimer Tax Administrator, PO Box 25157, Lehigh Valley, PA 18002-5157. Please correct any error in name, address, social security number, or resident/work municipality (add if not shown). Checks should be made payable to: HAB-EIT. Your canceled check is sufficient proof of payment. **NOTE: Failure to file or pay correctly and in a timely fashion can result in delinquent fees and costs being added to your account. There will be additional cost assessed for returned payments.**

PENALTY and INTEREST: Penalty and monthly interest will be charged at a rate determined by the PA Dept. of Revenue, if paid after the quarterly due date, unless otherwise instructed.

For further information or assistance in completing this form please refer to our website at: www.berk-e.com.

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes by calling Berkheimer at 610-599-3139, during the hours of 8:00 a.m. through 4:00 p.m., Monday through Friday. Or, you can visit our website at www.hab-inc.com.

Berkheimer is not the appointed tax hearing officer for your taxing district and will not accept any petitions for appeal. Petitions for appeal must be filed with the appropriate appeals board for your County. Berkheimer can provide you with the proper procedures and forms necessary to file an appeal with the appeals board for your Tax Collection District.

Name and Address:

DQ-1 QUARTER ESTIMATED EARNED INCOME TAX

If you moved enter the effective date: ____/____/_____

Check here if address change also applies to spouse ☐

REMIT TO: Berkheimer Tax Administrator
PO Box 25157, Lehigh Valley, PA 18002-5157

Resident PSD Code ☐☐☐☐☐☐ Work Location PSD Code ☐☐☐☐☐☐

RESIDENT MUNICIPALITY:

If you have no earned income, state the reason: retired/homemaker/student/disabled/temporarily unemployed/minor (state age)/other (please specify) _____

❑ Check here if ALL tax is withheld by employer(s).
Do not complete information requested on Lines 1 thru 6.

1. **Earned Income** and/or net profits ***(Must enter amount)***	, , .00
2. Tax Rate multiplied by line 1 ..... **See instructions on how to compute the tax*	, , .00
3. Employer Withheld	, , .00
4. TAX DUE: (line 2 minus line 3)	, , .00
5. Penalty and Interest: Line 4 multiplied by 1.00246% per month if paid after the due date	, , .00
6. **TOTAL PAYMENT DUE (add lines 4 & 5)** **Payable to: HAB-EIT**	, , .00

PLEASE ENTER SOCIAL SECURITY NUMBER: ☐☐☐ ☐☐ ☐☐☐☐

WEB

berkheimer tax administrator
PO Box 25130
Lehigh Valley, PA 18002-5130

TAXPAYER ANNUAL LOCAL EARNED INCOME TAX RETURN F-1

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes by contacting your Tax Officer.

F1

091514 dced-f1

RESIDENT JURISDICTION:

TAX YEAR

DATES LIVING AT EACH ADDRESS	STREET ADDRESS (No PO Box, RD or RR)	CITY OR POST OFFICE	STATE	ZIP
/ / TO / /				
/ / TO / /				

***If you need additional space - please see back of form.*

To file online, visit **www.berk-e.com**

WEB

Name
Address
City
State
&
Zip

EXTENSION ☐ AMENDED RETURN ☐ FM ☐ (internal)

DAYTIME PHONE NUMBER

RESIDENT PSD CODE

Combining income is NOT permitted.

ONLY USE BLACK OR BLUE INK TO COMPLETE THIS FORM

There will be an additional cost assessed for returned payments.
There will be an additional cost assessed if no payment is enclosed for tax due at time of filing.

☐ Single ☐ Married, Filing Jointly ☐ Married, Filing Separately ☐ Final Return

	ENTER TAXPAYER'S NAME	ENTER SPOUSE'S NAME
	Enter Social Security #	Enter spouse's Social Security #
	If you had NO EARNED INCOME, check the reason why: ☐ disabled ☐ student ☐ deceased ☐ military ☐ homemaker ☐ retired ☐ unemployed	If you had NO EARNED INCOME, check the reason why: ☐ disabled ☐ student ☐ deceased ☐ military ☐ homemaker ☐ retired ☐ unemployed
1. Gross Compensation as Reported on W-2(s). (Enclose W-2(s))	00	00
2. Unreimbursed Employee Business Expenses. (Enclose PA Schedule UE)	00	00
3. Other Taxable Earned Income *	00	00
4. **Total Taxable Earned Income** (Subtract Line 2 from Line 1 and add Line 3)	00	00
5. Net Profit (Enclose PA Schedules*) NON-TAXABLE S-Corp earnings check this box: ☐	00	00
6. Net Loss (Enclose PA Schedules*)	00	00
7. Total Taxable Net Profit (Subtract Line 6 from Line 5. If less than zero, enter zero)	00	00
8. Total Taxable Earned Income and Net Profit (Add Lines 4 and 7)	00	00
9. **Total Tax Liability** (Line 8 multiplied by)	00	00
10. Total Local Earned Income Tax Withheld (**MAY NOT EQUAL W-2** - SEE INSTRUCTIONS)*	00	00
11. Quarterly Estimated Payments/Credit From Previous Tax Year	00	00
12. Out of State or Philadelphia credits* (include supporting documentation)	00	00
13. **TOTAL PAYMENTS and CREDITS** (Add lines 10 through 12)	00	00
14. **Refund** IF MORE THAN $1.00, enter amount (or select option in 15) If you calculate a refund due, you may be denied. Please see Line 10 instructions.	00	00
15. **Credit Taxpayer/Spouse** (Amount of Line 14 you want as a credit to your account) ☐ **Credit to next year** ☐ **Credit to spouse**	00	00
16. **EARNED INCOME TAX BALANCE DUE** (Line 9 minus Line 13)	00	00
17. **Penalty after April 15*** (Multiply line 16 by .001 x number of months late-or a fraction of)	00	00
18. **Interest after April 15*** Multiply line 16 by .000246 x number of months late-or a fraction of)	00	00
19. **TOTAL PAYMENT DUE** (Add Lines 16, 17, and 18) Payable to HAB-EIT	00	00

***See Instructions**

Under penalties of perjury, I (we) declare that I (we) have examined this information, including all accompanying schedules and statements and to the best of my (our) belief, they are true, correct and complete.

YOUR SIGNATURE	SPOUSE'S SIGNATURE (If Filing Jointly)	DATE (MM/DD/YYYY)
PREPARER'S PRINTED NAME & SIGNATURE		PHONE NUMBER

f1-b-2014

S-CORPORATION PROFIT/LOSS REPORT

To avoid future correspondence, please report any S Corporation Pass-Through profits (losses) that were reported on your PA 40 Return.

TAXPAYER A: , , . 0 0

TAXPAYER B: , , . 0 0

LOCAL WORKSHEET (Moved During the Year)

PART YEAR RESIDENT

Residence #1 _____ Dates _____ to _____ Length of Time_____

Residence #2 _____ Dates _____ to _____ Length of Time_____

INCOME PRORATION (_____)
Residence # 1 COMPLETE ADDRESS

Employer # 1 _____

Local Income $ _____ / 12 X _____ = _____
# of months at this residence

Withholding $ _____ / 12 X _____ = _____
# of months at this residence

Employer # 2 _____

Local Income $ _____ / 12 X _____ = _____
# of months at this residence

Withholding $ _____ / 12 X _____ = _____
# of months at this residence

Residence #1 Total Income _____ Total Withholding _____

INCOME PRORATION (_____)
Residence # 2 COMPLETE ADDRESS

Employer # 1 _____

Local Income $ _____ / 12 X _____ = _____
# of months at this residence

Withholding $ _____ / 12 X _____ = _____
# of months at this residence

Employer # 2 _____

Local Income $ _____ / 12 X _____ = _____
# of months at this residence

Withholding $ _____ / 12 X _____ = _____
# of months at this residence

Residence #2 Total Income _____ Total Withholding _____

LINES 5 & 6: NET PROFITS/NET LOSSES FROM BUSINESS: Use line 5 for profit and line 6 for loss.
DOCUMENTATION REQUIRED: 1099(s), Phila BIRT/NPT, PA schedules C, E, F, or K-1 must be enclosed (photocopies are accepted).

LINE 10: LOCAL EARNED INCOME TAX WITHHELD WORKSHEET
(Complete worksheet if you work in an area where the non-resident tax rate exceeds your home resident rate)

	(1) Local Wages (W2 box 16 or 18)	(2) Tax Withheld (W2 box 19)	(3) Home Location Resident Rate (See page 1, line 9)	(4) Work Location Non-Resident Rate (See Instructions)	(5) Col 4 minus Col 3 (if less than 0 enter 0)	(6) Disallowed Withholding Credit (Col 1 x Col 5)	(7) Credit Allowed For Tax Withheld (Col 2 - Col 6)
Example:	$10,000	$130	1.25%	1.30%	0.05%	$5.00	$125.00
1.							
2.							
3.							
					TOTAL - Enter this amount on Line 10		

NON-RECIPROCAL STATE WORKSHEET

(See Instructions line 12)

EARNED INCOME: Taxed in other state as shown on the state tax return.

Enclose a copy of state return or credit will be disallowed ..... (1)_____

Local tax 1% or Act 511 portion of rate ..... X _____

(2)_____

Tax Liability Paid to other state(s) ..... (3) _____

PA Income Tax (line 1 x PA Income Tax rate for year being reported) ..... (4) _____

CREDIT to be used against Local Tax
(Line 3 minus line 4). On line 12 **enter this amount or the amount on line 2 of worksheet, whichfrfrever is less**. (If less than zero, enter zero)..... (5) _____

*****Additional Addresses:***

DATES LIVING AT EACH ADDRESS	ADDRESS	TWP OR BORO	COUNTY
/ / TO / /			
/ / TO / /			
/ / TO / /			

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes by calling Berkheimer at 610-599-3139, during the hours of 8:00 a.m. through 4:00 p.m., Monday through Friday. Or, you can visit our website at www.hab-inc.com.

Berkheimer is not the appointed tax hearing officer for your taxing district and will not accept any petitions for appeal. Petitions for appeal must be filed with the appropriate appeals board for your County. Berkheimer can provide you with the proper procedures and forms necessary to file an appeal with the appeals board for your Tax Collection District.

A NOTE FOR RETIRED AND/OR SENIOR CITIZENS

IF YOU ARE RETIRED AND ARE NO LONGER RECEIVING A SALARY, WAGES OR INCOME FROM A BUSINESS, YOU MAY NOT OWE AN EARNED INCOME TAX.

SOCIAL SECURITY PAYMENTS, PAYMENTS FROM A QUALIFIED PENSION PLAN AND INTEREST AND/OR DIVIDENDS ACCRUED FROM BANK ACCOUNTS AND/OR INVESTMENTS ARE NOT SUBJECT TO THE LOCAL EARNED INCOME TAX.

IF YOU RECEIVED A LOCAL EARNED INCOME TAX FORM AND ARE RETIRED WITH NO EARNED INCOME, PLEASE CHECK THE APPROPRIATE BOX ON THE FORM AND RETURN.

IF YOU STILL RECEIVE WAGES FROM A PART-TIME EMPLOYER OR BUSINESS, YOU WILL NEED TO FILE AND PAY THE EARNED INCOME TAX.

LOCAL EARNED INCOME TAX RETURN

I1981 102814

A. GENERAL INSTRUCTIONS

1. WHEN TO FILE: This return must be completed and filed by all persons subject to the tax on or before April 15 (unless the 15th is a Saturday or Sunday then file the next business day), regardless of whether or not tax is due. If you file a Federal or State Application for Extension, check the extension box on the front of the form and send this form along with your estimated payment by April 15, unless the 15th is a Saturday or Sunday, then by the next business day. If you use a professional tax preparer verify if you are responsible to submit your final return or if it was submitted for you.
2. WHERE TO FILE: Remit to the address printed on the tax return or see if you are eligible to file online at **www.berk-e.com**.
3. EFFECTIVE DATES: January 1 through December 31, unless otherwise noted on your Local Earned Income Tax Return.
4. AMENDED RETURN: If a taxpayer amends his federal income tax return, an amended Local Earned Income Tax Return must also be filed with this office. Check the Amended Return box on the front of the form.
5. RECEIPT / COPY: Your cancelled check is sufficient proof of payment.
6. PENALTY AND INTEREST: If for any reason the tax is not paid when due, Penalty and Interest will be charged. Any late, incorrect filing or payment may result in fees and penalties including a 10% Delinquent Account Servicing fee.
7. ROUND OFF CENTS to the nearest whole dollar. Do not include amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar amount.
8. USE BLACK OR BLUE INK ONLY WHEN COMPLETING THIS FORM. DO NOT USE RED INK.
9. Do not staple documents or paper to form.
10. Please submit the original form only, do not submit copies. If additional blank copies are needed, please go to **www.berk-e.com**.

B. REGULATIONS/LINE BY LINE INSTRUCTIONS

LINE 1: GROSS EARNINGS FOR SERVICES RENDERED

DOCUMENTATION REQUIRED: W-2(S) must be enclosed (photocopies are accepted).

LINE 1: TAXABLE INCOME INCLUDES: Salaries; Wages; Commissions; Bonuses; Tips; Stipends; Fees; Incentive Payments; Employee Contributions to Retirement Accounts; Compensation Drawing Accounts (if amounts received as a drawing account exceed the salaries or commission earned, the tax is payable on the amounts received. If the employee subsequently repays to the employer any amounts not in fact earned, the tax shall be adjusted accordingly); Benefits accruing from the employment, such as: Annual Leave, Vacation, Holiday, Separation, Sabbatical Leave; Compensation received in the form of property shall be taxed at its fair market value at the time of receipt; Jury Duty Pay; Payments received from weekend meetings for National Guard or Reserve Units; Sick Pay (if employee received a regular salary during period of sickness or disability by virtue of his agreement of employment); Taxes assumed by the Employer.

NON-TAXABLE INCOME INCLUDES: Social Security Benefits; Unemployment Compensation; Pensions; Public Assistance; Death Benefits; Gifts; Interest; Dividends; Boarding and Lodging to employees for convenience of employer; Lottery Winnings; Supplementary unemployment benefits (sub pay); Capital Gains (Capital losses may not be used as a deduction against other taxable income); disability benefits (Periodical payments received by an individual under a disability insurance plan.); Active military service SERVED OUTSIDE OF PENNSYLVANIA and summer encampment; personal use of company cars; cafeteria plans; and clergy housing allowance. Some forms of payments from Individual Retirement Programs, such as Keogh, Tax Shelter Annuity, IRA, and 401K are not taxable. Taxpayer should refer to the PA Department of Revenue regulations regarding taxable compensation.

LINE 2: ALLOWABLE EMPLOYEE BUSINESS EXPENSES

DOCUMENTATION REQUIRED: Pennsylvania form PA-UE must be enclosed (photocopies are accepted).

LINE 3: OTHER TAXABLE EARNED INCOME: Include income from work or services performed which has not been included on line 1or line 5. Do not include interest, dividends or capital gains.

LINE 4: TOTAL TAXABLE EARNED INCOME: Subtract line 2 from line 1 and add line 3.

LINES 5 & 6: NET PROFITS/NET LOSSES FROM BUSINESS: Use line 5 for profit and line 6 for loss. DOCUMENTATION REQUIRED: 1099(s), Phila BIRT/NPT, PA schedules C, E, F, or K-1 must be enclosed (photocopies are accepted).

RULE: A taxpayer may NOT offset a business loss against wages and other compensation (W-2 earnings -- line 1). "Pass-through" income from an S-Corporation is NOT taxable and loss is not deductible. A taxpayer may offset a loss from one business entity against a net profit from another business entity.

LINE 7: TOTAL TAXABLE NET PROFIT: Subtract line 6 from line 5; if less than zero, enter zero.

LINE 8: TOTAL TAXABLE EARNED INCOME AND NET PROFIT: Add lines 4 & 7.

LINE 9: TAX LIABILITY: Multiply line 8 by the tax rate printed on the tax return. For example, if 1% use .01, if 1/2% use .005.

LINE 10: EARNED INCOME TAX WITHHELD: If you work in an area that taxes non-residents at a higher rate than the resident rate where you live, **you may not be able to claim the entire amount of tax withheld on your W-2's**. If this is the case complete the worksheet on the back of the Final Return Form to calculate the amount of income tax withheld to enter on Line 10 of the Final Return. ***If this is not the case*** then combine the amount of tax withheld as reported in box 19 of your W-2's and report that amount on Line 10 of the Final Return. To determine if you work in an area that has a Non-Resident Tax Rate that exceeds the resident rate where you live, contact your employer or visit: http://munstatspa.dced.state.pa.us/FindLocalTax.aspx

LINE 11: QUARTERLY ESTIMATED PAYMENTS/CREDITS FROM PREVIOUS TAX YEAR: List any quarterly estimated payments made to date for appropriate filing year. Do not include any penalty and interest amounts that may have been made with the quarterly payments. Also, include tax credit from the previous tax year.

LINE 12: MISCELLANEOUS CREDITS

GENERAL RULES APPLICABLE TO ALL LINE 12 CREDITS: (1) Credits for income taxes paid to other states must first be used against your Pennsylvania state income tax liability; any credit remaining thereafter may be used against your local earned income tax liability. (2) Credits for income taxes paid to political subdivisions located outside of Pennsylvania or for wage taxes paid to Philadelphia may be taken directly against your local earned income tax iability. (3) In calculating your credit for income taxes paid to another state or to a political subdivision, note that the same items of income must be subject to both your local earned income tax and the out-of state tax. **(4) No credit for income taxes paid to another state or political subdivision may exceed your total local earned income tax liability**.

LINE 12: (CONTINUED)

CREDIT FOR TAXES PAID TO OTHER STATES: You may take a credit based upon the gross earnings taxed both in another state and in Pennsylvania that is in excess of Pennsylvania state personal income tax rate. Your available credit is capped at the Act 511 tax rate as shown on the front of your tax return. You will owe the additional taxes due on your out of state wages subject to the additional tax rate imposed. THIS CREDIT WILL BE DISALLOWED IF THE FOREIGN STATE RETURN AND YOUR W-2 FORM SHOWING STATE INCOME TAX WITHHELD IS NOT PROVIDED. **No credits are given for state income taxes paid to states that reciprocate with the Commonwealth of Pennsylvania**. These states are: Maryland, New Jersey, Ohio, Virginia, West Virginia, and Indiana.

EXAMPLE: Taxpayer earned wages of $10,000.00 in Delaware and paid an income tax liability to that state of $317.00. Assuming the current Pennsylvania state tax rate is 3.07% for the tax year in question, since the $317.00 exceeds 3.07% (PA Tax) amount of $307.00 by $10.00, the $10.00 may be credited against your local income tax.

Gross Income	(1)	$10,000.00
Local tax 1% or Act 511 portion of rate as specified on front of the form		x .01
	(2)	100.00
Tax paid to Delaware	(3)	317.00
PA Income Tax (3.07% x $10,000.00)	(4)	307.00
Credit to be used against Local Tax (Line 3 minus Line 4)		
On Line 12 of the tax return, enter this amount or the amount on Line 2 of worksheet, whichever is less	(5)	10.00

If all your wages or gross earnings are subject to Delaware State Income Tax (not PA), use the above example to complete your tax obligation on Worksheet located on the reverse side of the tax return. If you had earned income NOT taxed by Delaware, this income would be subject to the earned income tax effective in your district and must be shown separately on the Local Earned Income Tax Return. You may not use any tax paid to another state as credit on earnings outside the other state.

CREDIT FOR TAXES PAID TO POLITICAL SUBDIVISIONS OUTSIDE OF PENNSYLVANIA: You may take a credit based upon the gross earnings taxed in both another political subdivision and in your home taxing district in Pennsylvania. THIS CREDIT WILL BE DISALLOWED IF THE FOREIGN CITY RETURN AND OR YOUR W-2 FORM SHOWING CITY INCOME TAX WITHHELD IS NOT PROVIDED.

CREDIT FOR TAXES PAID TO PHILADELPHIA: You may use any wage taxes paid to Philadelphia as a credit on wages, salaries and commissions, etc., or net profits earned outside of Philadelphia. A COPY OF YOUR W-2 AND/OR VERIFICATION OF TAXES PAID MUST BE ENCLOSED WITH THE FORM OR CREDIT WILL BE DISALLOWED. No refunds or credits will be allowed for any overpayment made to Philadelphia.

LINE 13: TOTAL PAYMENTS AND CREDITS: Enter the sum of lines 10, 11 & 12.

LINE 14: REFUND: Before calculating a refund, ensure that you have followed the instructions for Line 10 accurately. Most refund requests are denied because the amount of money withheld is claimed incorrectly. If tax due (line 9) is less than your credits (line 13), enter amount of refund. If you have an overpayment of taxes in excess of $1.00, you may elect to receive a refund or take as a credit against next year's tax liability. A 1099 will be issued to the Federal Government for any credit or refund in excess of $10.00.

LINE 15: CREDIT: If tax (line 9) is less than your credits (line 13) enter amount of credit and check the applicable box for credit to spouse or credit to next year. A 1099 will be issued to the Federal Government for any credit or refund in excess of $10.00.

LINE 16: AMOUNT OF TAX DUE: If tax (line 9) is larger than your credits (line 13), enter amount of tax due. If less than $1.00, ENTER ZERO.

LINE 17 & 18: INTEREST AND PENALTIES: If for any reason the tax is not paid when due, interest and an additional penalty of the unpaid tax for each month shall be added and collected. Additional costs will be charged for any return received after the due date.

LINE 19: TOTAL AMOUNT DUE: The sum of lines 16, 17 & 18. OMIT IF LESS THAN $1.00. Make Checks Payable to HAB-EIT.

NOTE: All accounts are subject to audit and review. Local or city copy of W-2 and/or supporting schedules must be enclosed with tax return.
(Photocopies of W-2s and schedules are accepted).

SUBMIT YOUR RETURN

For Returns with Payments:	For Returns with No Payment, No Refund:	For Returns with Refunds:
HAB FI Payment PO Box 25158 Lehigh Valley, PA 18002-5158	HAB FI None PO Box 25159 Lehigh Valley, PA 18002-5159	HAB FI Refund PO Box 25160 Lehigh Valley, PA 18002-5160