



STATE COMPARISON FAILURE TO FILE NOTICE LOCAL EARNED INCOME TAX - FREQUENTLY ASKED QUESTIONS

If you received a Failure to File Notice stating that according to PA state records, you filed a Pennsylvania Personal Income Tax Return, but have not filed a Local Earned Income Tax Return with Berks Earned Income Tax Bureau (the "Bureau"), here are some answers to frequently asked questions that you may have:

How did the Bureau obtain this information?

The Bureau has an agreement with the Commonwealth of Pennsylvania, Department of Revenue ("PA DOR"), in which the PA DOR provides the Bureau with information for taxpayers who reported that they resided in a school district within the Bureau's taxing jurisdiction. This information is received approximately 15 months after the due date (i.e. 2022 tax year information is received by the Bureau in 2024). This information is then compared to the Bureau's data.

I used an online tax filing system (TurboTax, FreeTaxUSA, etc), why didn't you receive my return?

Although online tax filing systems will file Federal and PA State tax returns, they DO NOT create or submit a local tax return for you. Most of these systems will have a pop up or prompt indicating that you may have local tax obligations outside of their system.

I mailed the referenced year tax return and payment by the due date. Can any interest, penalties or fees be waived?

If you are receiving this letter, the Bureau did not receive your tax return and/or check. There are various reasons for this: US postal service misplaced the envelope, the envelope was delivered to another address, you used the incorrect address on your envelope, it was stolen from a mailbox, etc. If your check has not cleared your bank/been cashed, it was not received by the Bureau.

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

Taxpayers who reside in a Berks County Tax Collection District Taxing Jurisdiction (see Exhibit A) are required to file their local income tax return with the Bureau. If you filed with another tax collector in error, you are still required to file with the Bureau. Your return is considered delinquent and any penalties and interest will apply.



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What if I filed a joint state return with my spouse for the year in question and we are no longer together?

Filing a joint return on the local level is for a convenience of filing purpose only. Income and tax liability is reported under separate columns for each taxpayer on the local form. As a result, each taxpayer is responsible for their own tax liability, which means you file for yourself only.

Are there any minimum wage or age limit that requires local tax filing with the Bureau?

No, there are no minimum wage limits or age limits that would exclude a taxpayer from filing a local earned income tax return for a Berks County Taxing Jurisdiction resident.

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

Yes, 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 the Bureau is the collector.

Are payment plans available?

Yes, the Bureau offers payment plans. Please see our website for more information.

What if I think I received this notice in error?

There are some legitimate reasons for discrepancies that may result in no tax due or you may not be required to file. The purpose of the notice is to determine if you are required to file with the Bureau and if any tax is due. **A response is required** to update our records and avoid future notices. Please supply adequate documentation to the Bureau to support your claim.

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 do 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. Penalties and interest will continue to accrue on any balance due.



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Circumstances you may not owe tax and/or filing – proof is required:

1. You did not live in a Berks County taxing jurisdiction: tax returns filed with the PA DOR include a unique school code that is reported by a taxpayer based on where they reside. The PA DOR is required to provide this information to the PA Department of Education, which is used to determine state funding for school districts. If you are using the incorrect school code on your PA state return and you do not reside in a Berks County taxing jurisdiction, you are not required to file.
2. You had income from S-Corp earnings: this type of income is considered to be income which is taxable at the state level, but is not taxable locally. Unfortunately, it is reported on the PA-40 form in the same location as net income from the operation of a business, profession or farm. As such, the Bureau cannot differentiate which type of earnings you are reporting.
3. You reported Unreimbursed Employee Business Expenses on your PA return: the PA DOR compensation amounts given to the Bureau reflect amounts reported on the PA Schedule UE. However, the amount the Bureau has as compensation does not have this deducted since a return was not filed with the supporting Schedule UE. As a result, the taxable income does not match and a letter was sent.
4. You declared income to the state that also is not taxable for local income tax purposes (unemployment, social security, third party sick pay, active duty military pay).

Circumstances you may owe tax and/or filing – proof is required:

1. You took a distribution from a retirement account (IRA, Roth IRA, 401k, 403b) that was considered an early distribution for which an exception did not exist.
2. You moved into a Berks County Taxing Jurisdiction during the year: the state reports your full income based on the school district code used when you file your return at year end. A pro-rated return is needed to be filed with the Bureau.
3. You are a college student that used a college address for employment while at college: if your legal residence (see website – Policies & Regulations, Earned Income & Net Profits Tax Regulations, Section 203) is still in a Berks County Taxing Jurisdiction (i.e. with your parents), you are still required to file with the Bureau.

Contact Information:

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EXHIBIT A – BERKS COUNTY TCD TAXING JURISDICTIONS

Antietam School District

Lower Alsace Township
Mount Penn Borough

Boyertown Area School District

Bally Borough
Bechtelsville Borough
Boyertown Borough
Colebrookdale Township
Douglass Township/Berks County
Earl Township
Washington Township
Douglass Township/Montgomery County
New Hanover Township (Montg County)
Upper Frederick Township (Montg County)

Brandywine Heights Area School District

District Township
Longswamp Township
Rockland Township
Topton Borough

Conrad Weiser Area School District

Heidelberg Township
Marion Township
North Heidelberg Township
Robesonia Borough
South Heidelberg Township
Wernersville Borough
Womelsdorf Borough

Daniel Boone Area School District

Amity Township
Birdsboro Borough
Union Township

Exeter Township School District

Exeter Township
St. Lawrence Borough

Fleetwood Area School District

Fleetwood Borough
Maidencreek Township
Richmond Township

Governor Mifflin School District

Brecknock Township
Cumru Township
Kenhorst Borough
Mohnton Borough
Shillington Borough

Hamburg Area School District

Hamburg Borough
Perry Township
Shoemakersville Borough
Tilden Township
Upper Bern Township
Upper Tulpehocken Township
Windsor Township

Kutztown Area School District

Albany Township
Greenwich Township
Kutztown Borough
Lenhartsville Borough
Lyons Borough
Maxatawny Township

Muhlenberg School District

Laureldale Borough
Muhlenberg Township

Oley Valley School District

Alsace Township
Oley Township
Pike Township
Ruscombmanor Township

Reading School District

City of Reading

Schuylkill Valley School District

Bern Township
Centerport Borough
Centre Township
Leesport Borough
Ontelaunee Township

Tulpehocken Area School District

Bernville Borough
Bethel Township
Jefferson Township
Penn Township
Tulpehocken Township

Wilson School District

Berkshire Heights (Wyomissing Borough)
Lower Heidelberg Township
Spring Township
Sinking Spring Borough

Wyomissing Area School District

West Reading Borough
Wyomissing Borough