

INSTRUCTIONS FOR BELLEFONTE AREA EARNED INCOME TAX RETURN

Bellefonte Borough Office, 236 West Lamb Street, Bellefonte, Pennsylvania 16823 - Phone 353-2314 or 355-1501, X 17
 Benner Township, Bellefonte Area Schools, E.I.T., 318 N. Allegheny Street, Bellefonte, PA 16823-1613 - Phone 355-4814, X 3014
 Marion Township, Bellefonte Area Schools, E.I.T., 318 N. Allegheny Street, Bellefonte, PA 16823-1613 - Phone 355-4814, X 3014
 Spring Township, Spring Township Supervisors, 1309 Blanchard Street, Bellefonte, PA 16823 - Phone 355-1309, X 7
 Walker Township, Leah J. Burd, 816 Nittany Valley Drive, Bellefonte, PA 16823 - Phone 383-2859, X3

WHO MUST FILE

1. All residents of the above listed areas who have received compensation for personal services, net profits from businesses, professions or other activities earned or received after January 1, 2008 whether such activities are carried on within or without the above listed areas. If no income was earned this form must be returned stating "RETIRED" "NO INCOME" etc.

2. All non-residents of the above listed areas must file a return of compensation for personal services, net profits of business, professions or other activities earned after January 1, 2008 from sources within the above areas.

WHEN TO FILE

This return must be filed on or before April 15, 2009.

WHERE TO FILE AND TO PAY YOUR TAX

The address of the Municipality in which you reside.

WHAT IS THE EARNED INCOME TAX RATE

For the period January 1, 2008 to December 31, 2008 the rate is 1.65% for Bellefonte Borough Residents.

WHAT IS SUBJECT TO TAX

The ordinances provide for the imposition of the tax on the following classes of income:

1. All compensation for personal services earned by residents of the above areas irrespective of other place or places where such services are performed.
2. All compensation for personal services earned by non-residents of the above areas for work done or services performed in the above areas, providing there is no tax levied in the place of residence.
3. On net profits of businesses, professions, or other activities earned by residents of the above areas whether such activities are conducted within or without the areas.
4. On the net profits of businesses, professions, or activities earned by non-residents of the above areas to the extent that such income is derived from activities conducted in those areas, providing no Earned Income Tax has been levied in the place of residence.

These instructions are designed to help you understand and fill out the Earned Income Tax Return for the period of January 1, 2008 to December 31, 2008. Additional information may be obtained from the Earned Income Tax Collectors.

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 Bellefonte Borough at 353-2314 during the hours of 8:00 AM - 4:30 PM.

5. NET LOSSES FROM ONE BUSINESS OR PROFESSION MAY BE APPLIED TO REDUCE NET PROFITS FROM OTHER BUSINESS OR PROFESSION BUT MAY NOT BE APPLIED AGAINST EARNED INCOME.

WHAT INCOME IS EXCLUDED FROM TAX

Since the Earned Income Tax imposed by these areas applies only to compensation for services, net profits from businesses, professions, it follows that other types of income are excluded from the computation of income subject to tax. Examples of Excluded Classes of Income are:

- Income from investment rents
- Income from pensions and annuities
- Income from interest and dividends
- Profits from casual exchanges or sales of property
- Proceeds of life insurance
- Value of property acquired by inheritance or gift
- Veterans Administration allotments for subsistence or disabilities
- Social Security, Unemployment Compensation and Worker's Compensation Benefits
- Damages for personal injuries
- Board and lodging furnished for the convenience of the employer.
- Active duty pay - outside PA only

PENALTIES

ANY PERSON FAILING, NEGLECTING, OR REFUSING TO FILE A RETURN IN CONFORMITY WITH THE PROVISIONS OF THE ORDINANCES (WITHIN THEIR MUNICIPALITY) SHALL BE LIABLE TO A FINE OF \$500.00 AND OTHER PENALTIES IMPOSED IN THEIR AREA FOR EACH AND EVERY OFFENSE.

ALL TAXES IMPOSED BY THESE ORDINANCES REMAINING UNPAID AFTER THEY HAVE BECOME DUE SHALL INCLUDE INTEREST AT THE RATE OF 6% PER ANNUM PLUS ADDITIONAL PENALTIES OF 1/2 OF 1% OF THE AMOUNT OF UNPAID TAXES FOR EACH MONTH OR FRACTION OF A MONTH THAT THE SAID TAX REMAINS UNPAID.