

IMPORTANT TAX UPDATE FROM NEW BRIGHTON BOROUGH

Summary of changes and required responsibilities of ALL employees for the withholding and remittance of Earned Income Tax in the Commonwealth of Pennsylvania.

IMPORTANT NOTICE TO ALL RESIDENTS LIVING IN NEW BRIGHTON BOROUGH

Commonwealth Act 32 of 2008 ~ Effective January 1, 2012

Commonwealth Act 32 of 2008 will revamp the system of collecting Earned Income Tax (EIT) across Pennsylvania. It will reduce the number of statewide collectors from 560 to 69 tax collection districts (TCD) and restructure how EIT is collected. All employers (large and small) will be required to withhold EIT from all employees. Tax rate will be determined by the employee's place of residency.

However, one exception remains; if the place where you, the taxpayer, are employed has a higher EIT rate than the rate where you reside, then you are subject to a higher EIT rate. Areas with higher EIT rates are communities with a distressed pension plan under Act 205 or a distressed community under Act 47. In Beaver County, that includes the City of Aliquippa and the City of Beaver Falls.

As residents subject to Earned Income Tax in New Brighton Borough, the following changes will apply:

- ◆ All Earned Income Tax (EIT) will be withheld by employers and, remitted to a single Tax Officer designated to represent the Tax Collection District. Central Tax Bureau of Pennsylvania (CENTAX) has been selected as the Tax Officer for Beaver County.
- ◆ The taxes will then be distributed to the employee's proper place of residency, in your case, New Brighton Borough and the New Brighton Area School District.
- ◆ All EMPLOYEES must fill out a Residency Certification Form and return it to their employer to ensure that their EIT is withheld and distributed properly. The local EIT Tax Residency Certification Form is available through a link on the CENTAX website, www.centaxgroup.com.
- ◆ Employee EIT rates will be decided by the employee's place of residence. A complete tax register of all EIT rates by location is available through a link on the CENTAX website, www.centaxgroup.com.
- ◆ The Political Subdivision Code (PSD) for New Brighton Borough is 041003.
- ◆ If a change of residency occurs, employees MUST inform employers of their new residency.

Central Tax Bureau of Pennsylvania (CENTAX), www.centaxgroup.com, was selected by the Beaver County Tax Collection Committee (BCTCC) as the Tax Officer for Beaver County. CENTAX has been involved with much of Beaver County's tax collection in recent years making a much easier transition to the new collection system. The role of the employee in this new collection system is to keep their employer aware of their residency at all times. The actual process of withholding, remitting, and collection of tax dollars is put into the hands of the employer and the collector.

More information and documentation, visit the CENTAX website at www.centaxgroup.com.