

**CHAPTER 143. TAX PAYMENTS**

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**§ 143.1. Liability for payment.**

Each taxpayer subject to a school district personal income tax is liable for and responsible to pay the tax.

**§ 143.2. Payment.**

(a) *Location.* The payment of any school district personal income tax shall be made to the tax collector for the school district imposing the tax.

(b) *Types of payments.* The board of a school district may prescribe the means by which a school district personal income tax payment may be made, including cash, check, draft, money order, certified or cashier's check, credit or debit card or electronic funds transfer.

(c) *Conditional payments.* Acceptance of a check, draft, money order, certified check or cashier's check is a conditional payment until honored by the drawee.

(d) *Returned or rejected payments.* If a taxpayer or other person makes what purports to be a payment of school district personal income tax with a check, money order, cashier's check (or other guaranteed draft), credit card or debit card or by other means and the amount of the liability is not paid, or is paid and subsequently charged back to the payee, the taxpayer shall remain liable for the obligation due the school district to the same extent as if the payment had not been tendered.

**§ 143.3. Receipt of payments.**

For purposes of determining when a school district personal income tax payment is made and credited to a taxpayer's account, a tax payment is deemed to be made on the date the tax collector responsible for collecting the tax receives the payment or the due date for the payment, whichever is later.

**Cross References**

This section cited in 61 Pa. Code § 143.6 (relating to estimated tax declarations and installment payments).

**§ 143.4. Tax due date.**

The school district personal income tax of each taxpayer for the taxable year shall be due on the date that taxpayer is required to file the return for the personal income subject to tax, without regard to any extensions.

**§ 143.5. Employer withholding.**

(a) An employer who maintains an office or transacts business within a school district shall deduct and withhold school district personal income tax from the compensation of each employee of the employer under the following conditions:

- (1) The employee is a resident individual of the school district.
- (2) The employee provides services to the employer within the school district.
- (3) The employer is required under section 316 of the TRC (72 P. S. § 7316) to deduct and withhold Pennsylvania Personal Income Tax from the compensation of the employee.

(b) The school district personal income tax required to be deducted and withheld under subsection (a) shall be deducted and withheld for each payroll period in an amount equal to the product of the following:

- (1) The school district personal income tax rate for the school district where the employer maintains an office or transacts business that is in effect during the payroll period, which rate can be found on the Department of Community and Economic Development's Local Tax Withholding Register as established under section 351(c)—(e) of the TRC (72 P. S. § 7351(c)—(e)), regarding tax registers and local tax withholding registers.
- (2) The compensation paid for the payroll period.

(c) Every employer required to deduct and withhold from compensation under subsection (a) who has not previously registered, shall within 15 days after becoming an employer, register with the tax collector for the school district where the employer maintains an office or transacts business, the name and address and other information the tax collector may require.

(d) Every employer required to deduct and withhold from the compensation of a person under subsection (a) shall on or before April 30, July 31, October 31 and January 31, file a return for and remit to the tax collector for the school district where the employer maintains an office or transacts business the amount of school district personal income tax deducted and withheld during the preceding 3-month periods ending March 31, June 30, September 30, and December 31, respectively. The information to be provided on the return must include:

- (1) The name and Social Security number of each person from whose compensation withholding was made.
- (2) The compensation subject to withholding during the preceding 3-month period.

- (3) The amount of withholding.
  - (4) The school districts imposing the school district personal income tax on the compensation.
  - (5) The total compensation of all persons from whom the employer is required to withhold during the preceding 3-month period.
  - (6) The total school district personal income tax withheld and remitted with the return.
- (e) The tax collector may require any employer who for two of the preceding four quarterly periods has failed to deduct and withhold the proper school district personal income tax, or any part thereof, or has failed to remit the proper amount of the school district personal income tax, to file a return and remit the withheld school district personal income tax monthly. In that case, the school district personal income tax to be withheld shall be made to the tax collector on or before the last day of the month succeeding the month for which the tax was withheld.
- (f) On or before February 28, of the succeeding year, every employer required to withhold school district personal income tax under subsection (a) shall file the following with the tax collector:
- (1) An annual return showing:
    - (i) The total amount of compensation paid and subject to withholding.
    - (ii) The total amount of school district personal income tax deducted and withheld from the compensation.
    - (iii) The total amount of school district personal income tax remitted to the tax collector for the period beginning January 1, of the current year, and ending December 31, of the current year.
  - (2) A return withholding statement for each person whose compensation was subject to withholding during all or any part of the period beginning January 1, of the current year, and ending December 31, of the current year, setting forth the name, address and Social Security number, the amount of compensation paid to the person during the period, the amount of school district personal income tax deducted and withheld, the political subdivisions imposing the tax upon the person and the amount of tax remitted to the tax collector. Every employer shall furnish two copies of the individual return to the person for whom it is filed.
- (g) Every employer who discontinues business prior to December 31, of the current year, shall within 30 days after the discontinuance of business, file the returns and withholding statements required under this section and remit the tax due.
- (h) An employer who willfully or negligently fails to deduct, withhold and remit the school district personal income tax as required under this section shall be liable for payment of the school district personal income tax that the employer was required to withhold to the extent that the taxes have not been recovered from the person from whom the withholding was to be made.

(i) Notwithstanding the provisions of this section, an employer may deduct and withhold school district personal income tax at the most recently available school district personal income tax rate on the Department of Community and Economic Development's Tax Register as established under section 351(b) of the act (53 P. S. § 6926.351(b)). Further, an employer is not required to deduct and withhold school district personal income tax from the compensation of a resident individual or make reports of compensation deducted and withheld in connection with a school district personal income tax that is not officially released on the Department of Community and Economic Development's Local Withholding Tax Register as prescribed in section 351 of the act.

(j) The failure or omission of an employer to deduct, withhold and remit the school district personal income tax required under this section does not relieve any person from the payment of the school district personal income tax or from complying with the filing requirements of this article.

(k) Nothing in this section shall be construed to prohibit an employer from voluntarily deducting and withholding school district personal income tax from the compensation of a person who is subject to school district personal income tax but is not a resident individual of the school district in which the employer maintains an office or transacts business and to which the person reports to work. If an employer voluntarily deducts and withholds school district personal income tax from a person, the employer shall remit the tax and file the returns and reports required under subsections (d) and (f) with the tax collector for the school district where the person is a resident individual.

#### Cross References

This section cited in 61 Pa. Code § 144.3 (relating to employer withholding credit); and 61 Pa. Code § 145.3 (relating to form).

### § 143.6. Estimated tax declarations and installment payments.

(a) Every taxpayer shall make a declaration and installment payments of estimated school district personal income tax if the taxpayer's estimated school district personal income tax exceeds the dollar limitation contained in section 325 of the TRC (72 P. S. § 7325) for making a declaration of Pennsylvania Personal Income Tax.

(b) Estimated school district personal income tax means a taxpayer's school district personal income tax liability as prescribed under Chapter 142 (relating to tax, imposition and rate), less any credit to which the taxpayer may be entitled under § 144.3 (relating to employer withholding credit), that the taxpayer reasonably estimates to be due for the taxable year.

(c) The declaration and installment payments of estimated school district personal income tax shall be made to the tax collector for the school district at the

time prescribed for the declaration and payment of earned income tax not subject to withholding under section 13-III of The Local Tax Enabling Act (53 P. S. § 6913-III).

(d) The board of a school district that imposes a school district personal income tax shall prescribe the information to be reported on the declaration required under this section and the means by which installment payments are to be made, provided that if an amended declaration is filed, any remaining unpaid installments shall be ratably increased or decreased to reflect the increase or decrease on the amended declaration. The board or its designee shall determine the format for the declaration and make necessary arrangements for the production of the declaration and dissemination to taxpayers.

(e) Notwithstanding the provisions of subsection (c), estimated school district personal income tax installment payments are payments of school district personal income tax to which § 143.3 (relating to receipt of payments) applies.

#### **Cross References**

This section cited in 61 Pa. Code § 143.7 (relating to overpayment carryover); and 61 Pa. Code § 145.3 (relating to form).

#### **§ 143.7. Overpayment carryover.**

(a) A taxpayer who has overpaid the school district personal income tax for a taxable year may have the overpayment carried forward and credited against the school district personal income tax liability for the following taxable year.

(b) The overpayment that is credited under this section is considered a payment of tax under this chapter as opposed to a tax credit and may be refunded as provided under § 146.3 (relating to refunds).

(c) An overpayment that is credited under this section may be used to satisfy a taxpayer's estimated school district personal income tax liability under § 143.6 (relating to estimated tax declarations and installment payments).

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