



Southwest Regional Tax Bureau, One Centennial Way, Scottsdale, PA 15683

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**The following questions and answers walk you through what to consider when determining whether or not you should file a combined return. A sample Letter of Intent is included on the last page of this document.**

**As an employer, where do I report and remit the EIT collected from employees?**

You will need to determine what type of employer you are based on options included in Act 32.

Types of Employers:

1. Business with work location(s) only in Fayette TCD municipalities. You are located in the Fayette TCD if your place of business is in one of the six School Districts in Fayette County.
  - a. You are required to file and remit to SWRTB for all employees on a quarterly basis. If you have reported certain employees to other collectors, you should notify the other collectors that you will be reporting all employees to SWRTB and close your account with these other collectors.
  
2. Business with work locations in more than one TCD and with payroll operations located in the Fayette TCD.
  - a. You may either
    - i. file and remit a combined return with SWRTB for all of your work locations and employees throughout PA on a monthly basis or
    - ii. file and remit to the collector for the TCD for each work location on a quarterly basis.
  - b. If you elect to file a combined return and remittance, you are required to notify each collector to which you now report of your intent. A Letter of Intent sample may be found on the SWRTB website.
  - c. Example: XYZ, Inc. with work locations in Fayette TCD and Somerset TCD and headquartered in Fayette TCD may
    - i. file a combined return and remit to SWRTB for all locations monthly or
    - ii. file and remit for all employees at the Fayette TCD location to SWRTB and file and remit for all employees at the Somerset TCD location to the Capital Tax Collection Bureau quarterly.



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3. Business that is headquartered out of state and with multiple business locations in PA. This employer type also applies to Philadelphia based businesses.
  - a. You may either
    - i. file and remit a combined return with the collector for any TCD in which you have a business location for all of your work locations and employees throughout PA on a monthly basis or
    - ii. file and remit to the collector for the TCD for each work location on a quarterly basis.
  - b. See DCED Regulations for further details.
  - c. Note, if you elect to file a combined return and remittance, you are required to notify each collector to which you now report of your intent. A Letter of Intent sample may be found on the SWRTB website.
  - d. Example: XYZ, Inc. based in Ohio and with work locations in multiple locations in PA including the Fayette TCD may
    - i. file a combined return and remit to SWRTB for all locations monthly or
    - ii. file and remit for all employees at each location to the TCD collector for that location quarterly.

### **When should I decide to file a combined return?**

While you may elect combined reporting beginning on the first of any calendar month, we recommend that if your business elects to file a combined return as described in the previous question, you start filing combined returns at the beginning of a calendar (tax) year.

### **What is a Letter of Intent and when do I need to use it?**

A Letter of Intent is required if you have elected to file a combined return and remit to a single collector for your work sites that are located in multiple TCDs.

For example, if you have your headquarters or payroll operations in the Fayette TCD and you also have work sites in the Somerset TCD and the Westmoreland TCD. You may elect to report and remit the EIT for all of your work sites to the Fayette TCD. In this case, you should send a Letter of Intent to the Somerset TCD collector and the Westmoreland TCD collector notifying them of this election. You should also send a copy of these letters to SWRTB.

**Important:** businesses who elect to file a combined return are required to report and remit on a monthly basis.

You are not required to send a Letter of Intent if your business is located in Fayette TCD but you have been sending EIT withholding to other collectors for individual employees. You should however, contact the other collectors and close your account with them.

# NOTICE OF INTENT TO FILE COMBINED RETURNS AND MAKE COMBINED PAYMENTS

**DATE:**

[Insert name address of Collector]

Please be advised that \_\_\_\_\_, FEIN \_\_\_\_\_, with a facility located within your taxing jurisdiction at \_\_\_\_\_ hereafter known as EMPLOYER, is hereby filing this Notice of Intent to File Combined Returns and Make Combined Payments of the Earned Income Tax withheld from all employees who are employed in the Commonwealth of Pennsylvania with the Southwest Regional Tax Bureau, One Centennial Way, Scottsdale, PA 15683. Southwest Regional Tax Bureau is the Tax Officer for the Fayette Tax Collection District. The filing of combined returns and payments is effective \_\_\_\_\_ (effective date must be the 1st day of the month).

As part of this decision EMPLOYER understands and commits to the following requirements:

1. EMPLOYER shall deduct from the compensation due each employee, employed at each of EMPLOYER'S Pennsylvania work locations, the greater of the employee's resident tax or the employee's work location non-resident tax as released in the official register maintained by the Department of Community and Economic Development, Municipal Statistics Division.
2. Within 30 days of the end of each month, EMPLOYER shall file a return and pay the amount of income taxes deducted during the preceding calendar month from all employees employed within the Commonwealth of Pennsylvania.
3. The return shall be filed electronically and shall show the name, address and social security number of each employee, the compensation of the employee during the preceding month, the local earned income tax deducted from the employee, the PSD Code and political subdivision name imposing the income tax upon the employee, the total compensation of all employees during the preceding month, the total local earned income tax deducted from the employees and paid with the return and the work/employment location municipality name and PSD Code for each employee.
4. Payment of the local earned income tax withheld must be made electronically within thirty (30) days following the last day of each month, at the time of filing the monthly income tax return.
5. This Notice of Intention to File Combined Returns and Make Combined Payments shall not be construed to change the location of an employee's place of employment for purposes of non-resident tax liability.
6. On or before February 28 of the succeeding year, EMPLOYER shall file with the Southwest Regional Tax Bureau:
  - a. An Annual Return showing, for the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of compensation paid, the total amount of income tax deducted, the total amount of local earned income tax paid to the Southwest Regional Tax Bureau.
  - b. An individual withholding statement, which may be integrated with the Federal Wage and Tax Statement (Form W-2), for each employee employed for 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 address and Social Security number, the amount of compensation paid to the employee during the period, the amount of local earned income tax deducted, the amount of local earned income tax paid to the Southwest Regional Tax Bureau, the numerical code prescribed by the department representing the tax collection district where the payments of deducted tax were remitted.

NOTE: Fayette Tax Collection District numerical code is **26**. This numerical code must be listed in the "locality" box **Box 20** on the withholding statement of each employee whose income tax was remitted to Southwest Regional Tax Bureau.

7. If EMPLOYER discontinues business prior to December 31 of the current year they shall, within thirty (30) days after the discontinuance of business, electronically file the returns and withholding statements required above and electronically pay the income tax due at the time of filing the final returns.

Responsible Person (signature) \_\_\_\_\_

Dated

Responsible Person (printed name) \_\_\_\_\_

Responsible Person (title) \_\_\_\_\_

Responsible Person Phone # \_\_\_\_\_ Email \_\_\_\_\_

Responsible Person Address \_\_\_\_\_

**Copy to:**

Southwest Regional Tax Bureau  
One Centennial Way  
Scottsdale, PA 15683