

**IMPORTANT INFORMATION FOR RESIDENTS OF LANCASTER COUNTY
and the OCTORARA AREA SCHOOL DISTRICT including the
MUNICIPALITIES LOCATED in CHESTER COUNTY**

**REQUIREMENT TO FILE A LOCAL EARNED INCOME & NET PROFITS TAX
RETURN BY APRIL 15, 2016**

Any person who resides in either Lancaster County or the Octorara Area School District in Chester County during any part of a given year and who received either earned income or net profits during that year is **REQUIRED** to file a **Local Earned Income & Net Profits Tax Return** with the Lancaster County Tax Collection Bureau – or “**LCTCB**” – for that year. There are no exceptions to the requirement. Thus, you must file a return even if you filed quarterly returns for the year, your employer withheld the tax from your paycheck, and even if you do not owe any tax. Generally, the tax return is due on or before the April 15 following the year being reported in the return. Very importantly, you **must** file an annual tax return even if you do not receive a tax return form or other notice from LCTCB.

It is also **STRONGLY RECOMMENDED** that any person who resides in either Lancaster County or the Octorara Area School District in Chester County during any part of a particular year – but who did not receive earned income or net profits during that year – also file an annual return noting “no income” **IF** the taxpayer was required to file an annual return for the year preceding the year in which no income was earned. That information will provide LCTCB with notice that interest, penalties, fines, and collection costs (late fee) should not be assessed against the taxpayer.

Quarterly Tax Return and Payment Requirement

In addition to the annual tax return filing requirement, any person who is otherwise required to file an annual return and who is either self-employed or does not have the tax withheld from his or her paycheck must file quarterly tax returns and make quarterly estimated tax payments. However, the quarterly return filing requirement does not apply to individuals with an annual income of less than \$50,000. A person who is required to file on a quarterly basis shall file quarterly returns and make quarterly tax payments 30 days after the end of each calendar quarter. For 2016, a quarterly tax payment is due on April 30, July 30, and October 30 of 2015 and January 30, 2017.

If you have additional questions about quarterly filing and quarterly estimated tax payments, please consult the LCTCB Earned Income and Net Profits Tax Regulations posted at www.lctcb.org and also your professional advisors.

Consequences for Failure to File

If you are required to file an annual or quarterly tax return and you either fail to do so or the tax return is postmarked after the due date, you will be subject to interest and penalties for any tax you failed to pay by the due date **AND** a \$25 late fee to cover the costs incurred by LCTCB in identifying, pursuing, notifying you of, and processing your late return.

Extension of Time to File an Annual Tax Return

LCTCB grants annual tax return filing extensions if LCTCB **receives** an extension request **on or before** the original due date for the return.

You can make an extension request by submitting any of the following to LCTCB on a timely basis: (1) a copy of your extension request to either the Internal Revenue Service or the Pennsylvania Department of Revenue for the tax year at issue; (2) a copy of documentation establishing the IRS or Department granted you an extension for the tax year at issue; or (3) marking the "Extension request" box under "Check all that apply" on the LCTCB annual return form for the tax year at issue with an "X" and returning the marked form to LCTCB with the necessary information to identify you.

Very importantly, filing an extension request does **not** extend the time to pay any tax due. **In that respect, LCTCB follows the practice of the Pennsylvania Department of Revenue.** 61 Pa. Code § 117.14(a). Accordingly, if you file an extension request, you **must** include with the request an estimated payment equal to what you believe you will owe for the tax year at issue. All such payments must be made based on reasonable estimates. Guidance as to what constitutes a reasonable estimate can be found in LCTCB Earned Income and Net Profits Tax Regulation Section 404.

If you file an untimely extension request, make an untimely payment of estimated tax, or make a timely payment of estimated tax based on an unreasonable estimate of tax liability, you will be subject to interest and penalties for any tax you failed to pay by the due date **AND** a \$25 late fee to cover the costs incurred by LCTCB in addressing your particular circumstances.

General Information

If you filed a paper return last year with LCTCB you will receive a return and instructions in the mail. If you filed electronically last year you will receive a postcard which will include your PIN to file electronically this year. **Failure to receive a tax return, postcard or other notification by mail does not relieve you of your obligation to file an annual return.**

You are encouraged to file your return electronically by using LCTCB eFiling available through the website at www.lctcb.org. Successfully completing a return online will give you an instant confirmation number that your return has been submitted and that you can use as a reference in future communication with LCTCB. If payment is due, you must also complete the payment step in the online process or you will be charged interest, penalty, and a late payment fee.

If you mail a paper return using the USPS, you are encouraged to keep a copy of your signed return. Failure of the USPS to deliver your return may result in a late filing fee charge to you.

If you use a tax preparer please note that most preparers do not mail the local tax return for you, mailing the return is your responsibility. If the preparer tells you that your local return was filed electronically, be sure to request a copy of the confirmation form for your records.

Additional information on who must file, how to file, and where to file your Local Earned Income Tax Return is available at the Lancaster County Tax Collection Bureau website – www.lctcb.org.

LCTCB is a non-profit, independent organization established by the school districts and municipalities of Lancaster County to collect local earned income taxes. **LCTCB is not a part of the Lancaster County government offices. The Lancaster County government offices will not be able to assist you with the filing of your local earned income tax return.**