

# RESIDENT FINAL RETURN INSTRUCTIONS

## **LINE 1 – GROSS EARNINGS**

List taxable earnings here, as reported on line 1 of the Pennsylvania Income Tax Return (**Example: Box 16 of W2**).

**Part Year Residency:** If you were a resident for only part of the year, please prorate your earnings based on residency.

**Taxable earnings:** Report earnings received while permanently residing within Upper Dublin Township on line 1 only.

**Non-taxable earnings:** Report earnings received while permanently residing outside of Upper Dublin Township on line 5a only.

Examples of taxable earnings include, but **not exclusively:**

Salaries	Incentive Payments
Wages	Covenant Not to Compete
Bonuses	Deferred Compensation
Fees & Commissions	Executory Fees
Tips Received	Stock Options
Severance Payments	Certain Retirement Pay & Pensions

Examples of income that are NOT subject to tax include:

Interest & Dividends	Unemployment Compensation
Parsonages	Third Party Sick or Disability Benefits
Death Benefits	Worker's Compensation Benefits
Social Security Benefits	Public Assistance Compensation
Life Insurance Proceeds	

**TAXPAYER SHOULD REFER TO THE PA DEPT OF REVENUE REGULATIONS REGARDING TAXABLE COMPENSATION.**

**IF YOU RECEIVED NO EARNED INCOME FOR THE YEAR, ENTER "0" GROSS EARNINGS AND INDICATE THE REASON AT THE BOTTOM.**

## **LINE 2 – ALLOWABLE BUSINESS EXPENSES**

Deductions for unreimbursed business expenses as documented on form PA UE.

## **LINE 3 – NET LOSS FROM BUSINESS**

Deduction for allowable business loss from self-employment, general partnership, and/or LLC/LLP member as supported on Schedule C and/or Federal K1.

**SCORPORATION, LIMITED PARTNERSHIP & PASSIVE RENTAL LOSSES ARE NOT ALLOWABLE DEDUCTIONS.**

## **LINE 4 – SUBTOTAL:** Subtract Line 1 - Line 2 - Line 3.

If this subtotal is less than 0, enter 0.

## **LINE 5 – TAXABLE NET PROFITS FROM BUSINESS**

Taxable net profits include all non-passive earnings correctly reportable on Form PA 40 line 4, supported by Schedules C, E, and Federal K-1. Examples include, but are **not limited to:** reasonable income, self-employment, general partnership, and LLC/LLP.

**DO NOT INCLUDE BUSINESS LOSSES ON THIS LINE**

Business losses cannot be applied against business gains.

## **LINE 5a – NON-TAXABLE EARNINGS**

This is for reporting purposes only. Do NOT include this amount in any tax computations on this form.

Examples of non-taxable earned income that **MUST** be reported are:

### **Active Military Earnings**

**Part Year Residency:** earned income received while permanently residing outside of Upper Dublin Township

**UDT Exemption:** if total annual earnings are less than \$3000, enter your total annual earnings here

**Passive net profits:** passive earnings from S Corporations, limited partnerships, and all other passive activities correctly reportable on Form PA 40 line 4, supported by Federal K-1

**THIS INCOME MUST BE REPORTED & SUPPORTED WITH PROPER SCHEDULES**

## **LINE 6 – TOTAL TAXABLE EARNINGS:** Add Line 4 + Line 5.

**UDT Exemption:** If total annual earnings are less than \$3000, enter this amount on line 5a only.

**DO NOT INCLUDE THE AMOUNT LISTED ON LINE 5a IN THIS CALCULATION.**

## **LINE 7 – TAX DUE:** Multiply Line 6 x .01.

This is your tax liability.

**Make check payable & mail to:**

Upper Dublin Township, EIT Collector, 801 Loch Alsh Avenue, Fort Washington, PA 19034-1697

**FINAL RETURNS MUST BE FILED BY ALL WAGE EARNERS WHO RESIDE IN UPPER DUBLIN TOWNSHIP. ALL returns must be supported with copies of withholding statements (W-2's), 1099 statements, Federal Forms 1065/K-1 & 1120S/K-1; PA Forms RK-1 & UE; Schedules C, E, F; Philadelphia NPT Form, and all other tax forms needed to substantiate income, credits, and taxes paid.**

## **LINE 8 – PHILADELPHIA & MISCELLANEOUS TAX CREDITS**

**Philadelphia City Wage Tax** withheld and/or paid directly to Philadelphia, as supported on W2 or Net Profits Tax Form. (BPT is **NOT** acceptable.)

### **Miscellaneous tax credits\*:**

**Credit for taxes paid to other states** in excess of 3.07% due to Pennsylvania, as supported by other state return **AND** PA Schedule G

**Credit for Non-PA city tax** withheld by employer, as shown in Box 19 of W-2

\*THESE MISCELLANEOUS CREDITS MAY **NOT** EXCEED 1% OF THE CORRESPONDING INCOME EARNED & MAY NOT BE USED TO OFFSET TAX DUE ON OTHER EARNINGS

**IF THESE CREDITS ARE MORE THAN LINE 7, ENTER THE AMOUNT LISTED ON LINE 7**

## **LINE 9 – LOCAL EARNED INCOME TAX WITHHELD**

Local earned income tax withheld by employer as shown in Box 19 of W-2. Do **NOT** list Philadelphia tax paid on this line.

**OPT, UNEMPLOYMENT & DISABILITY TAX ARE NOT CREDITABLE**

## **LINE 10 – PRIOR YEAR OVERPAYMENT APPLIED**

Overpayment from prior tax year applied to current tax year.

## **LINE 11 – ESTIMATED TAX PAYMENTS**

Total quarterly estimated payments remitted to the Upper Dublin Township Earned Income Tax Office for current tax year.

**LINE 12 – TOTAL CREDITS & PAYMENTS:** Add Line 8 + Line 9 + Line 10 + Line 11.

## **LINE 13 – OVERPAYMENT;** if line 12 > line 7, enter difference

Subtract Line 7 from Line 12. This difference is the amount overpaid. Please select one: refund/credit/donation. (No credits or refunds < \$1) Donation – contribution divided as follows: Twp portion to Open Space Fund/UDSD portion to Upper Dublin Education Foundation.

**LINE 14 – TOTAL TAX BALANCE;** if line 7 > line 12, enter difference Subtract Line 12 from Line 7. This difference is the remaining tax due.

## **LINE 15 – PENALTY/INTEREST DUE**

Penalty/Interest is assessed for late and/or insufficient quarterly payments at the rate of 1% per month on the amount of tax due.

### **TAXPAYERS MAY NOT CHOOSE TO PAY THE TAX AT THE END OF THE YEAR.**

All residents whose taxes are not withheld by their employer at a rate of 1% or more and all residents who are self-employed must file quarterly estimated payments. The only exception granted is Earned Income or Net Profits that total less than \$5,000 in the current year. A taxpayer in this category may elect to pay the entire tax due at the time the Final Return is filed.

It is the taxpayers' responsibility to make sure they receive their quarterly forms and make quarterly estimated payments on a timely basis.

**All taxpayers are required to meet 80% of their total yearly tax liability through quarterly estimated tax payments. Failure to meet this requirement will result in penalty and interest on the amount of the underpayment at a rate of 1% per month from each quarterly due date for which the tax remains unpaid.**

**LINE 16 – TOTAL PAYMENT DUE:** Add Line 14 + Line 15. This is the total payment due. Please enter this amount in the payment box located on the top portion of this form. (No payments < \$1)

Please enclose check or money order for any balance due of \$1.00 or more. If both taxpayers have a balance due, one payment may be submitted for the total due. Please include your Social Security Number or account number on the check. All checks returned by the bank, that cannot be re-deposited, will be subject to a \$15.00 fee by our office.

Taxpayers are entitled to receive a written explanation of their rights with regard to the assessment, audit, appeal, enforcement, refund, and collection of certain taxes administered by the Township. A written explanation entitled "Upper Dublin Township Taxpayers' Bill of Rights Disclosure Statement" has been prepared for this purpose and is available without charge from the Township. You may request a copy from the Finance Department between the hours of 8:00 A.M. and 5:00 P.M. daily, except holidays.