



**KEYSTONE**  
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## ***Langhorne Manor Borough Earned Income Tax Implementation***

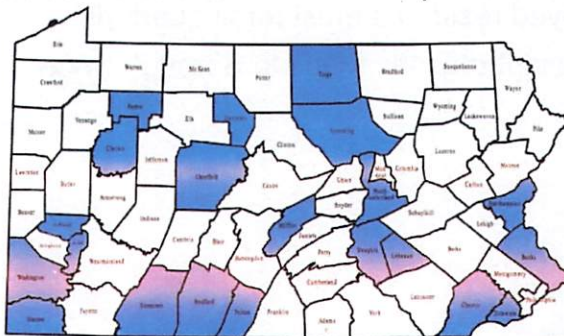
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## **Keystone Collections Group**

- 39+ years of experience
- Earned Income Tax (EIT) Officer for 21 Tax Collection Districts
- Collect local taxes for 999 school districts and municipalities in 38 counties
- 220+ employees
- Support over 2 million residents
- Process over \$3 billion annually

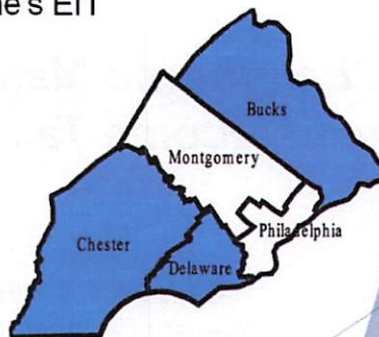


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## Keystone's Delaware Valley Presence

- Bucks, Chester and Delaware County Tax Collection Committees (all 3 under agreement until 12/31/2029) have utilized Keystone's EIT collection services since 2012
- Additionally collect:
  - local services tax
  - per capita tax
  - occupation tax
  - business privilege/mercantile tax



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## EIT Collection Procedure

- Local EIT withheld by employer
- Submitted to Keystone quarterly
  - Over 97% of employers file online with Keystone
- Self-employed residents must remit quarterly
- Keystone distributes tax funds to Borough twice weekly



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## Transition

- Welcome letter
  - Residents
  - Businesses
- Press release
- Website information
- Communication with payroll providers and other collectors
- Frequently asked questions
- Customer service education



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## Data from PA Department of Revenue (DOR)

- PA 40 Tax Returns filed: 386
- Earned Income Reported to PA: \$31,715,578
- Maximum revenue at 1%: \$317,155
- Maximum revenue at 0.5%: \$158,577
- Limiting factors:
  - Local EIT remitted to Philadelphia
  - State/local tax remitted in Delaware



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## Non-Resident EIT

- Many residents already remitting non-resident EIT to another municipality
  - Approximately 316 residents remitting \$100,650 to Keystone (Bucks, Delaware, Chester and Northampton)
  - Approximately 68 residents remitting \$33,605 to Berkheimer (Montgomery, etc.)

## Reciprocal States, Non-Reciprocal States and City of Philadelphia

- No state/local tax remitted to reciprocal states/communities
  - New Jersey, Maryland
- State/local tax must be remitted to non-reciprocal states/communities – Delaware
- Commuter wage tax under the Sterling Act – 3.44% remitted by those working in Philadelphia

## Neshaminy School District Communities

- Hulmeville Borough (Pop. 982) – 1 % EIT (2018)
- Langhorne Borough (Pop. 1,643) – 1% EIT (2023)\*
- Langhorne Manor Borough (Pop. 1,491)
- Lower Southampton Township (Pop. 19,276) – 1% EIT\*
- Middletown Township (Pop. 46,040) – 0.50% EIT (2014)\*
- Pennel Borough (Pop. 2,515) – 1% EIT (2021)\*

\* Border Langhorne Manor Borough



## Recent EIT Implementation in Bucks County

- Middletown Township (Pop. 46,040) – 0.50% EIT (2014)\*
- Bensalem Township (Pop. 62,689) – 1% EIT (2016)
- Hulmeville Borough (Pop. 982) – 1 % EIT (2018)
- Pennel Borough (Pop. 2,515) – 1% EIT (2021)\*
- Morrisville Borough (Pop. 9,809) – 1% EIT (2022)
- Falls Township (Pop. 34,300) – 1% EIT (2023)
- Langhorne Borough (Pop. 1,643) – 1% EIT (2023)\*
- Tullytown Borough (Pop. 2,282) – 1% EIT (2024)

\* Border Langhorne Manor Borough



## No Local EIT in Bucks County

- 4 communities (including Langhorne Manor Borough)
- 6 school districts (must pass referendum)



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