



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: Taxes 13-2, Pennsylvania Cities Income Tax Withholding

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To: Subscribers of Tax Bulletins

Beginning with wages for Pay Period 26 2012, the National Finance Center (NFC) made the following changes to Pennsylvania cities income tax withholdings:

- The withholding rate for the city of Harrisburg, Pennsylvania, will increase from 1 percent to 2 percent for residents.
- The withholding rate for the city of Reading, Pennsylvania, will increase from 3.4 percent to 3.6 percent for residents and from 1.1 percent to 1.3 percent for nonresidents.

To view the updated tax formula, go to the *NFC Home Page* (<http://www.nfc.usda.gov>) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate State from the map provided. Changes to the tax formula are identified by "▶◀".

For questions about NFC processing, authorized Servicing Personnel Office representatives should contact the NFC Contact Center at **1-855-NFC-4GOV (1-855-632-4468)** or via the Internet using the Requester Console.

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NFC BULLETIN



## Pennsylvania Cities Income Tax Information

**Note:** Below are the resident and non-resident rates NFC will withhold for each city. Employees can refer to [www.newpa.com](http://www.newpa.com) to obtain earned income tax rates of other PA cities and choose an additional withholding amount in addition to the rates below if applicable. Additional withholding amounts are done on a voluntary basis.

**Note:** Act 32 is not applicable to the city of Philadelphia.

### Withholding Formula ▶(Effective Pay Period 26, 2012)◀

1. Subtract the nontaxable biweekly Federal Employees Health Benefits (FEHB) payment from the gross biweekly wages.

**Note:** The biweekly FEHB payment is taxable income for the city of Philadelphia; therefore, do not subtract the biweekly FEHB payment when computing Philadelphia city income tax.

2. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
3. Apply the annual wages to the following guideline to determine the annual Pennsylvania city income tax withholdings.

Compute the City Income Tax Withholding For:	By Multiplying the Gross Annual Wages By:			
	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station = DS; Resident = R)
Bethlehem	42/0660	1.0000	1.0000	DS, R
Bradford ( <i>voluntary</i> )	42/0840	1.0000	1.0000	
Caln	42/1044	1.0000	1.0000	DS, R
Camp Hill ( <i>voluntary</i> )	42/1060	2.0000	1.0000	
Carlisle	42/1100	1.6000	1.0000	DS, R
Erie	42/2640	1.1800	1.1800	DS, R
Fairview Township	42/2769	1.4500	1.0000	DS, R
Greene Township	42/3343	1.7000	1.0000	DS, R
Gregg Township	42/3396	1.8000	1.0000	DS, R
Hanover Township	42/3470	1.0000	1.0000	DS, R
Harrisburg	42/3500	▶2.0000◀	1.0000	DS, R

Compute the City Income Tax Withholding For:	By Multiplying the Gross Annual Wages By:			
	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station = DS; Resident = R)
Horsham	42/3740	1.0000	1.0000	DS, R
Kelly Township	42/4053	2.0000	1.0000	DS, R
Lancaster	42/4180	1.1000	1.0000	DS, R
Philadelphia	42/6540	3.928	3.4985	DS, R
Pittsburgh	42/6600	3.0000	1.0000	DS, R
Plains Township	42/6615	1.0000	1.0000	DS, R
Reading	42/6900	3.6000	1.3000	DS, R
Scranton	42/7460	3.4000	1.0000	DS, R
South Lebanon	42/7894	1.0000	0.0000	DS, R
Tinicum	42/8445	1.0000	1.0000	DS
Warminster Township	42/8845	1.0000	1.0000	DS, R
Wilkes-Barre	42/9340	3.0000	1.0000	DS, R
York	42/9610	1.0000	1.0000	DS, R

**Note:** City tax is mandatory unless otherwise indicated.

4. Divide the annual Pennsylvania city income tax withholding by 26 to obtain the biweekly Pennsylvania city income tax withholding.