

I am a Pennsylvania employer and I hired an employee who is not a resident of Pennsylvania. For which state do I withhold tax?

Pennsylvania has reciprocal tax agreements with Indiana, Maryland, Ohio, New Jersey, Virginia and West Virginia. Unless your employee is a resident of one of these states, you should withhold Pennsylvania personal income tax. If you agree not to withhold Pennsylvania tax because your employee is a resident of a reciprocal state, you must withhold that state's tax.

There is also an exemption from the requirement to withhold for nonresident spouses of military service members. Pennsylvania employers are not required to withhold tax for the employee's state of residence. However, the employer may choose to withhold the other state's tax if the employee is a resident of a reciprocal state and the employee requests the employer to withhold the reciprocal state's tax.

An employee who wishes to be exempted from Pennsylvania withholding must complete REV-419, the Employee's Nonwithholding Application.

CONTACT INFORMATION

Online Customer Service Center
www.revenue.state.pa.us

Taxpayer Service & Information Center
Personal Taxes: 717-787-8201
Business Taxes: 717-787-1064
e-Business Center: 717-783-6377

1-888-PATAXES (728-2937)
Touch-tone service is required for this automated, 24-hour toll-free line. Call to order forms or check the status of a personal income tax account, corporate tax account, or property tax/rent rebate.

Forms Ordering Message Service
1-800-362-2050

Service for taxpayers with special hearing and/or speaking needs
1-800-447-3020

Call or visit your local Department of Revenue district office, listed in the government pages of local telephone directories.

EMPLOYER WITHHOLDING



About Employer Withholding:

Employers are required to withhold PA personal income tax at a flat rate of 3.07 percent on compensation of resident and nonresident employees who earn such compensation while working in Pennsylvania. This rate remains in effect unless you receive notice of a change from the Department of Revenue.

For detailed information on employer withholding, see the Employer Withholding Information Guide, REV-415 AS, on the Department of Revenue’s website, www.revenue.state.pa.us.

Definition of an employer:

An employer is any individual, partnership, association, corporation, government body or other entity that employs one or more persons for compensation and that is required under the Internal Revenue Code to withhold federal income tax from wages paid to an employee.

How do employers file returns and remit the tax withheld?

Employers can file returns and remit employer withholding for free using e-TIDES, the department's Internet business tax filing system, or TeleFile, a toll-free telephone filing system. Employers may also file and pay through approved third party software vendors named on the department's website.

The department accepts electronic payments using ACH debit, ACH credit and credit/debit cards. Remitting payments electronically is

mandatory for payments over \$20,000. Employers remitting payments under \$20,000 may also pay by check, using an e-TIDES voucher or writing all appropriate information on the check if using TeleFile.

To learn more about electronic filing, visit www.etides.state.pa.us. There you can also register and begin filing and paying business taxes online.

What are the due dates for filing and paying employer withholding?

Payment frequencies are established based upon the amount of tax the employer is required to deduct and withhold per quarter, according to the following parameters:

Withholding Amount	Payment Frequency
\$0.00 - \$299.99	Quarterly
\$300 - \$999.99	Monthly
\$1,000 - \$4,999.99	Semimonthly
\$5,000 or more	Semiweekly

A due date reminder card (REV-1716) is available on the department's website or by calling, toll-free, 1-800-362-2050. e-TIDES filers may opt to receive email reminders five business days before each tax due date.

If I paid no wages during a quarter, should I still file with the department?

Yes. You must electronically file reporting zero compensation for the quarter.

How do I obtain an Employer Identification Number (EIN)?

The Internal Revenue Service (IRS) issues EINs. You may obtain an EIN by completing

the Application for an Employer Identification Number (SS-4), available at www.irs.gov or by calling 1-800-TAXFORM.

How can I obtain an employer withholding account number?

An employer required to withhold PA personal income tax must first obtain an EIN from the IRS, then register with the Department of Revenue.

Businesses may register for employer withholding accounts from the Department of Revenue, satisfy business registration requirements through the Department of State and register for unemployment compensation accounts from the Department of Labor and Industry online at www.paopenforbusiness.com or by completing the PA Enterprise Registration Form, PA-100. The form is available at www.revenue.state.pa.us and from Revenue’s Forms Ordering Service, 1-800-362-2050.

Where can I get the PA version of the IRS W-4 form?

Pennsylvania does not have a form similar to the federal W-4 form. Pennsylvania personal income tax is a flat tax rate of 3.07 percent, and everyone pays the same rate. There are no allowances based on the number of dependents claimed, etc. Every employer should withhold taxes at 3.07 percent. If an employer withholds more than 3.07 percent, the department may request a written explanation.