

BULLETIN
EMPLOYER'S TAX INFORMATION
CITY & SCHOOL DISTRICT OF PITTSBURGH

The City & School District of Pittsburgh Treasurer's office has received a large volume of inquiries with regard to employer withholding obligations. The following is a summary of the withholding obligations for both resident and non-resident employers. For additional information call **412-255-8821** or visit our web site at www.city.pittsburgh.pa.us/finance

Employers with a location in the City of Pittsburgh must withhold earned income taxes for all City residents according to the following:

RESIDENTS OF PITTSBURGH

All resident employees are subject to a **1%** earned income tax for the City of Pittsburgh and a **2%** School District of Pittsburgh earned income tax. Combined total: **3%** of gross wages.

MT. OLIVER BOROUGH RESIDENTS

All residents of Mt. Oliver are subject to the School District of Pittsburgh earned income tax at the rate of **2%**. The Borough of Mt. Oliver levies and collects its own Earned Income tax.

OUT OF STATE RESIDENTS

If a person is domiciled in a state other than Pennsylvania or another country and works in the City of Pittsburgh, that person is subject to a City earned income tax of **1%**.

NON-RESIDENT EMPLOYERS

Any non-resident employer (employer outside of Pittsburgh, but within Pennsylvania) who employs residents of the City of Pittsburgh or Mt. Oliver Borough **MUST** withhold the School District of Pittsburgh Earned Income tax at the rate of **2%**. The employer, at his option, may also withhold the City of Pittsburgh Earned Income tax at the rate of **1%**. Combined total: **3%** of gross wages.

IMPORTANT NOTICE

Employers, who are liable for the withholding of \$200.00 or more a month in City or School Earned Income taxes from their employees, **MUST** make monthly deposits of the tax withheld.

LOCAL SERVICES TAX

(Formerly the Emergency & Municipal Services Tax) & (Formerly the Occupation Tax)
A tax on individuals for the privilege of engaging in an occupation. The Local Services Tax is levied, assessed, and collected by the political sub-division of the taxpayer's primary place of employment. Rate of tax is \$52. The employer is required to withhold the pro-rata share of the tax by dividing \$52 by the number of payroll periods established by the employer. See Exemption Certificates for exclusions at www.city.pittsburgh.pa.us/finance

PAYROLL EXPENSE TAX

Every employer doing business in the City of Pittsburgh for any period of time is required to pay a Payroll Tax based on their payroll expense. Also, taxable are the net earnings distributions of sole proprietors, individuals, partnerships, associations, joint ventures or other entities that perform work or provide service within the City of Pittsburgh. The City Code imposes a Payroll Tax on all persons that engage, hire, employ or contract with one or more individuals, as employees, to perform work or render services within the City of Pittsburgh. The tax rate is .55% or .0055.