

## Residents Ask EIT-Related Questions During Falls Info Session

About two dozen Falls residents attended a recent [earned income tax information session](#) and asked various questions related to filing requirements and taxable income.

Falls officials, along with representatives from Keystone Collections – the county-designated EIT collector for Bucks County school districts and municipalities – took questions in-person and via zoom from residents related to Falls Township’s Jan. 1, 2023 enactment of an EIT.

The EIT is assessed at 1 percent for Falls Township residents and individuals who work in Falls Township provided their income is more than \$8,000 per year. The tax is not assessed on pensions, retirement, unemployment compensation, or capital gains. Keystone representatives said during the informational meeting that the EIT is also not assessed on active duty military regardless of their local residence. It is however assessed on college students who use their Falls Township address and earn income.

The tax is different from a local services tax or LST, which can be up to \$52 per year – deducted from paychecks at \$1 per week – in some municipalities, including Falls.

Pennsylvania employers are required to withhold EIT. New Jersey employers are not required to do so. If an out-of-state employer does not withhold the tax, the employee is responsible to make quarterly payments, the first of which would be due following the end of the first quarter in 2023. Quarterly payments are also required to be paid by self-employed individuals, as well as independent contractors. Provided that taxpayers pay at least 90 percent of the tax owed, they will not be penalized with interest fees, according to Keystone. Taxpayers can [make quarterly payments online](#) or through the mail. Taxpayers may also call Keystone at (866) 539-1100 Monday through Friday from 8 a.m. to 4 p.m. to request that quarterly forms be mailed to a residence.

Falls residents working in Philadelphia would be exempt from paying the EIT as they already pay a Philadelphia wage tax.

Residents working in other municipalities should notify their employer that Falls implemented an EIT, Keystone officials said, adding that since the company handles all EIT collection countywide, it would be easy to move EIT funds collected erroneously for one municipality to Falls Township.

Keystone will mail paper tax return forms in January 2024. In addition to state and federal forms, taxpayers would also be required to complete and file a local tax return beginning with 2023 tax filings.

Any overpayment of EIT can be refunded or applied to the following tax year once tax returns are completed, officials said.

The roughly 45-minute meeting is [available to view here](#).

Falls has set up an email address related to EIT questions. Please send inquiries to [EIT@FallsTwp.com](mailto:EIT@FallsTwp.com).