

# Capital Tax Collection Bureau

www.captax.com

## Central Dauphin Division

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## Carlisle Division

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CARLISLE PA 17013-3336  
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Dear Taxpayer:

We have identified you as being a resident of a school district that has enacted Act 24 local tax reform effective July 1, 2005. The Capital Tax Collection Bureau (CTCB) member school districts that have enacted Act 24 in 2005 are Greenwood and Newport. Taxpayers of these school districts have to file a "split-year tax return" - that is, essentially, a filing for the 1st half of 2005 (January through June), and a separate filing for the 2nd half of 2005 (July through December). These split-year filings are necessary since the tax rate for the 1st half of the year is different than the tax rate for the 2nd half of the year. The tax return enclosed is a special filing form that enables you to file both halves of the year on a single form and work down to a combined tax liability for the entire tax year. Unfortunately, because of the requirements of this special form, it does not permit a husband and wife to file on the same form. If you were not a resident of one or more of the 2 "Act 24" school districts during any part of 2005, you can still use the enclosed filing form, however, you will only need to complete the 3rd "TOTALS" column, leaving columns 1 & 2 blank.

Since there are different tax rates (see the last page of this form packet for tax rate table) among the taxing jurisdictions we service for 2005 you must enter the appropriate tax rate in line 11 on the Form 531. Also if you moved during 2005 between different school districts in our jurisdiction where the tax rates are different, you will need to file separate returns with us for each residence where there are different tax rates. Such "multiple" returns must be filed at the same CTCB office.

Note: You can elect to have a refund directly deposited to your checking or savings account. See the expanded line 21 of Form 531 and the instructions that pertain to that line. We have also included a new Schedule P in this packet. Schedule P must be completed, at least in part, if you moved during the tax year.

Mailing address labels are provided on page number 3 of the instructions enclosed. There are 3 distinct addresses for mailing your returns based on whether you are (1) making a tax payment with your return, (2) requesting a tax refund or credit on your return, or (3) filing your return with no payment or refund request. Please take time to use the proper mailing label to speed the processing of your return.

The form on the opposite page is your annual return for the local earned income tax (EIT). As the word "local" implies, this tax is used exclusively by your municipality (city, township, or borough) and school district. This tax is different than the federal and state individual income taxes in that it taxes only two classes of income, both of which are "Earned": 1) COMPENSATION received for services rendered and, 2) NET PROFITS from the operation of a business, profession or farm. Passive income items such as interest, dividends, capital gains, and rental income are not taxable.

If you are either self-employed or are employed by an employer that does not withhold the correct amount of EIT, you are required to pay the tax quarterly to our Bureau. We make every attempt to identify those taxpayers in this category and mail them the proper payment stubs. However, if you fit in this category and you do not receive payment stubs (Forms 521) by April 1st, please contact our office and a set will be provided. Please remember, the failure of a taxpayer to receive the proper forms does not alleviate his/her responsibility for any required filings and/or payments of tax.

General and line-by-line instructions are attached to the back of this tax form mailer. You may detach them for easy reference while completing your return. If after reading the instructions you still have a question, contact one of our three offices and we will be happy to assist you.