

● **TAX REFORM CODE OF 1971 (*PERSONAL INCOME TAX*)**

STATUTORY CITATION: 72 Pa. Stat. §§ 7301 – 7361

GENERAL SUMMARY: Article III of the Tax Reform Code imposes a tax on certain classes of personal income, including (1) compensation paid to Pennsylvania residents for services performed both within and outside the state of Pennsylvania, and (2) compensation paid to non-residents of Pennsylvania for services performed within Pennsylvania.

In general, every employer who maintains an office or transacts business in the state and who pays compensation to any worker is required to deduct and withhold from the worker's pay an amount estimated to meet the worker's state income tax liability with respect to such earnings. The employer must periodically remit withheld taxes and submit a withholding return to the state revenue department, and by January 31 of the ensuing year must furnish each employee with a written statement showing the amount of compensation paid and the amount withheld as tax throughout the calendar year.

PROVISIONS APPLICABLE TO AGRICULTURE: With only narrow exceptions, agricultural employers in Pennsylvania are required to withhold state income tax from their workers' wages to the same extent as their non-agricultural counterparts.

ADMINISTRATION AND ENFORCEMENT

PRIMARY ENFORCEMENT AGENCY — *Bureau of Business Trust Fund Taxes, Pennsylvania Department of Revenue, Harrisburg, Pennsylvania 17128 (717-787-1064).* Any worker who has reason to believe that state income tax is being improperly withheld from wages, or incorrectly reported or remitted to the state, should promptly contact the Department.

SECONDARY OR ASSOCIATED ENFORCEMENT AGENCY — *None.*