



# INSTRUCTIONS FOR FINAL RETURN FORM USC-40

## WHAT IS THE TAX?

The tax is a 1.3% tax on earned income and net profits. The tax is always paid to the community where you live.

## WHO MUST FILE?

Every resident of Upper St. Clair who had taxable earned income or net profits during any part of the year must file a FINAL RETURN FORM USC-40. This RETURN must be filed even if tax was fully withheld by your employer or if no additional tax is due. **Part-year residents must supply documentation of payment of tax balance due for the part-year to another municipality or district.**

**Exemption:** Residents with gross income of under \$3,200 are exempt from paying the tax and are exempt from filing the return unless applying for a refund or credit.

## WHEN TO FILE?

All RETURNS must be postmarked or delivered on or before **April 15**.

## WHERE TO FILE?

RETURNS can be mailed or delivered to the Township of Upper St. Clair Tax Office, 1820 McLaughlin Run Road, Upper St. Clair, PA 15241. Please use the return envelope and check the appropriate box on the front of the return envelope to facilitate the processing of the RETURN.

## LINE 1 - TAXABLE EARNED INCOME AND COMPENSATION

Wages; salaries; commissions; bonuses; tips; fees; vacation pay; honoraria; executor, administrator and trustee fees; severance pay; incentive payments; profit distributions; income from active involvement in operation of a LLC; sick pay (other than third party sick pay); taxes assumed by the employer for the employee; exercised stock options from employers; employer auto allowance; employer-reimbursed moving expenses; grossed-up income, deferred income for pensions and annuities; non-compete agreements; back pay awards; and, other forms of compensation as provided by the employer.

## LINE 2 - DEDUCTIONS FOR UNREIMBURSED BUSINESS EXPENSES AS FOLLOWS ARE PERMITTED

Business related auto expenses, union dues, professional license fees, professional dues, small tools required for employment, and uniforms or work clothing not suitable for everyday use. **Business expenses will not be processed as a deduction without documentation. Attach PA Schedule UE Forms and Federal Form 2106.**

Contributions to deferred income plans such as IRA's, 401K's, and Keoghs cannot be deducted from taxable income.

IRS Form 1040 Schedule A deductions are not permitted.

## LINE 4 - OFFSETS AGAINST EARNED INCOME

A business loss can be offset against **earned income** but NOT against the profit earned in another business. A business profit cannot be offset by a business loss. Since Sub-S Corporation and Oil & Gas profits are not taxable, there will be no losses allowed from Sub-S Corporation and Oil & Gas income.

## LINE 6 - TAXABLE NET PROFITS

Net Profits from a business, profession or farm; royalties; patents and fees; and general partnership income, and any other guaranteed payments to partners.

## LINE 10 - OVERPAYMENT

Your REFUND or CREDIT amount appears on Line 10A or 10B of the tax return. Any amount under \$10.00 will automatically be credited to the next tax year. **No refunds will be processed under \$10.00 unless requested.**

**LINE 11 - 13 - TAX PAYMENT** Your payment amount appears on Line 13 of the tax return. **Make checks or money orders payable to Township of Upper St. Clair.** No tax payments of under \$1.00 are required. There will be a \$35.00 charge for checks returned from the bank for any reason.

## TAX PAYMENT OPTION

Your payment can be made by **credit card** or **eCheck**. There will be a processing fee charged for this service which can be accessed through our website at <http://www.jordantax.com/payments>. Use eCode CWF when prompted. **YOU MUST FILE A RETURN REGARDLESS OF YOUR PAYMENT METHOD.** (Check payment block on line 13).

## PENALTY AND INTEREST CHARGES

All RETURNS filed after April 15 will be assessed penalty and interest charges at the rate of 1% per month. **Additional penalty and interest charges will be assessed for residents who have failed to make proper quarterly tax payments. 90% of the earned income tax liability must be met through quarterly payments.**

## NON-TAXABLE INCOME (DO NOT USE THESE ITEMS)

Interest and dividend income, social security benefits, pensions, disability benefits, active military pay, third party sick pay, lottery winnings, death benefit payments, gifts or bequests, public assistance, income from stocks or trusts, all rental income, parsonage/housing allowance payments, income from gas & oil royalties, capital gains, Sub-Chapter S & limited partnership income, alimony, child support, strike pay, unemployment compensation, and supplemental unemployment benefits. **NOTE: ATTACH FEDERAL & PA 1120S K-1 TO RECONCILE LOCAL AND STATE TAXABLE INCOME.**

## DOCUMENTATION

Documentation of earnings (W-2 forms, 1099 forms), net profits on (PA Schedule C, E, F, or RK-1 and Federal Schedule K-1) as appropriate and/or business expenses (PA Schedule UE, Federal Form 2106, and other federal and state forms as applicable) must accompany final tax returns. **Final Tax returns without proper documentation will not be processed.** Taxpayers must supply the original document or a copy of the document as the Tax Office will not make copies or return documents.

## CREDIT FOR TAXES PAID TO OTHER JURISDICTIONS

Payments by residents of the Township of Upper St. Clair of a tax on income to any state other than Pennsylvania or any political subdivision located outside Pennsylvania can be credited against the Township's ACT 511 TAX (1.0%). You must attach PA Schedule G. **TAX CREDIT FINAL RETURNS AND INSTRUCTIONS can be obtained at the Tax Office.**

## CHECK NAME AND ADDRESS

Make any corrections to the name and address information on this return. **If this is your initial return, please provide your social security number,** as it is important to the prompt and accurate processing of this return.

## SIGNATURE REQUIRED

ALL RETURNS MUST BE SIGNED AND DATED BY THE TAXPAYER to be a valid return.

## FAILURE TO FILE

Failure to receive a tax return does not relieve the taxpayer of the responsibility of filing a tax return and of paying the tax. Failure to file may result in a fine up to \$500.00 per year and/or criminal charges, in addition to the penalty and interest charges.

## TAX REGULATIONS

Complete Tax Regulations are available at the Tax Office and at the Township Library. If you have specific questions, please call the Tax Office at (412) 831-9000.