



2012 W2 Reporting for Pennsylvania

Infor Enwisen HRM (all releases)

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2012 W2 Reporting for Pennsylvania

PENNSYLVANIA'S ["ACT 32 OF 2008 POLICY AND PROCEDURE MANUAL"](#) INCLUDES INFORMATION REGARDING THE W2 FORM. ON page 85, it mentions to include on the W2 *"The two digit numerical code representing the tax collection district where the tax was paid"*. And that the two digit numerical code *"... extends to the "Locality" box of the Federal Wage and Tax Statement (Form W-2)"*.

What set up is required to print the description in the Locality box (Box 20) for the Earned Income Tax (EIT) and School District (SD) tax amounts?

Default functionality:

W2 Forms (PR297)

The default functionality for local taxes is to print the wages and tax amount in Boxes 18 and 19; with Box 20 being updated from the **Tax Authority (PR06)** "W2 Description". The two-digit Tax Collection District (TCD) code would be entered as the W2 Description in **PR06**.

For reporting, the **PR297** references the employee's quarterly deduction file (QUARTDED). The quarterly history includes deduction code, company, report entity, process level, tax amount, taxable wages, etc. The YTD for each local tax deduction prints on a separate line of the W2.

PR297 has additional parameter fields on the State/Local tab; "Combine Local Tax", "Print Locals on W2", and "Local W2 Description". With new functionality for PA state (described below), the "Combine Local Tax" and "Local W2 Description" options will be ignored as the current functionality does not summarize the amounts by W2 description. The "Print Locals on W2" will allow printing one or two locals per W2.

New functionality:

For 2012, additional functionality for reporting Boxes 18 – 20 for Pennsylvania:

- Controlling the new functionality; Data Item in **Year-End Parameters (PR27.1)**
- Combining PA local tax amounts by W2 description; functionality in **W2 Forms (PR297)**
- Overriding the W2 Description (TCD Code) by Process Level; W2 Description added in Addl EIN button for the "PA" state **Tax Authority (PR06)**
- Overriding the TCD code and/or distributing tax amounts by employee local tax deduction; new form **Employee Year-End PA TCD Override (PR11.5)**
- Identifying the Philadelphia Tax Authority; Data Item in **Year-End Parameters (PR27.1)**

Controlling the new functionality

To enable the new functionality, a new Data Item is added in **PR27.1**: “PA Local Combine by W2 Desc” under Topic: W6 “W2 Other Options”. When set to Yes, **PR297** will perform the additional functionality for reporting PA local amounts in Boxes 18, 19 and 20.

Combining EIT and SD tax amounts by W2 description

PR297 will have functionality to combine the EIT and SD tax amounts by W2 description. The total tax amount will print in Box 19. The wages from the EIT tax deduction will print in Box 18. (If an EIT tax deduction is NOT found for the employee, then the SD wages will be reported.) The W2 Description will print in Box 20.

Note: Local Services Tax (LST) and Occupation Tax identified by Tax Category “84” and “51”.

- To suppress LST amounts from printing in Boxes 18 – 20 of the W2, use Data Item(s): “Suppress Occupational Tax” and (optionally) “Suppress Occ Tax State”, under Topic: W6 in PR27.1.
- To report LST amounts in Box 14 use Data Item: “Other Box 14”, under Topic: W5 in PR27.1.

Overriding the W2 Description (TCD Code) by Process Level

Allow entry of the PA local W2 descriptions by Process Level. This can be useful if your Company and /or Process Levels represent the work locations where taxes were filed. This will override the **PR06** local W2 description.

PA local tax amounts will be combined and Box 20 updated based on the W2 description for the historical Process Level (QUARTDED).

To enter the W2 description by Process Level, go to the Additional EIN button in **PR06** for your PA state Tax Authority. Enter the value in the field labeled “PA TCD W2 Desc”. **PR297** will have functionality to report the W2 description based on each tax deduction’s historical Process Level.

United States Tax Authority (PR06.1)

Actions Related Tools Inquire

Tax Authority PA Pennsylvania

BSI Tax Code BS100420000

Authority Type ST - State

Additional Information (PR69.2)

Actions Related Tools Inquire

Tax Authority PA Pennsylvania

F	C	Company	Level	Proc	EIN	Employer Acct Number	PA TCD	W2Desc
		2940	RE	PA				18
		2940	RE	PATK				

Additional EIN Minimum Wage State Reporting

Inquiry Complete

Overriding the TCD code and/or distributing tax amounts by individual employee local tax deduction

Use **Employee Year-End PA TCD Override (PR11.5)** to override the two-digit numerical code defaulting from **PR06**.

Enter Company, Report Entity (leave blank if the Company is the Report Entity), Year, Employee, and Deduction code; then Inquire. The W2 description from the associated Tax Authority is displayed with the YTD Tax Amount and Wages. Use the detail lines to override the TCD code with tax amount/wages or to distribute tax amount/wages to multiple TCD codes.

Note: **PR11.5** allows overriding by employee and local tax deduction. The TCD code for the EIT and School District deduction codes can be overridden.

- For the EIT deduction code(s), enter the overridden TCD code with the tax amount and wages. The total of the Reportable Tax Amount must equal the YTD Tax Amount.
- For the School District deduction code(s), enter the overridden TCD code with the tax amount (leave wages blank otherwise Box 18 will be doubled). Do update the School District Taxable Wages if an EIT tax deduction code does not exist. For example; the employee is subject to a School District tax but not subject to an EIT tax based on the live/work address.

Identifying the Philadelphia Tax Authority

PA Act 32 states "Philadelphia is not subject to Act 32 and Philadelphia County does not have a Tax Collection District". To identify the Philadelphia Tax Authority; in **PR27.1** use Data Item: "Philadelphia Tax Authority" under Topic: W6 "W2 Other Options".

Year-End Parameters (PR27.1)

Company: 2940 LGE Corp company record
 Country Code: US United States of America
 Payroll Year: 2012
 Process Level: PA PA Location 1
 Topic: W6 W2 Other Options
 View: 1 - Compressed View Pos To:

FC	Data Item	Value	Description
<input type="checkbox"/>	PA Local combine by W2 Desc	Y	N/A
<input type="checkbox"/>	Philadelphia Tax Authority	PHILADEL	N/A

Processing:

Review your local EIT deductions in PR05 and make note of the Tax Authorities.

- EIT deductions: PR05 Tax Category “01” and PR06 Authority Type “CI”.
- School District tax deductions: PR05 Tax Category “01” and PR06 Authority Type “SD”.
- Local Services Tax (LST) and Occupation Tax PR06 Tax Category “84” and “51”.

To suppress LST amounts from printing in Boxes 18 – 20 of the W2, use Data Item(s): “Suppress Occupational Tax” and (optionally) “Suppress Occ Tax State”, under Topic: W6 in PR27.1.

To report in Box 14 use Data Item: “Other Box 14”, under Topic W5 in PR27.1.

Review the tax filing process you followed for your monthly or quarterly tax filings

Where your taxes were filed will determine the... “two digit numerical code, representing the tax collection district where the tax was remitted”.

Were tax payments filed to one TCD?

- Enter the TCD two-digit numerical code as the PA TCD W2Desc in the Additional EIN button of the PR06 Tax Authority record for your PA State tax authority. Enter this by Company or Report Entity (if multiple Report Entities exists).

Were tax payments filed to multiple TCDs?

- If Process Levels represent work locations:
 - Enter the TCD two-digit numerical code as the PA TCD W2Desc in the Additional EIN button of the PR06 Tax Authority record for your PA State tax authority. For each Process Level or by Company, enter the corresponding TCD code.
- If Process Levels do not represent work locations:
 - Review your EIT and Tax Authority set up. Determine where tax payments were filed for each Tax Authority. Enter the TCD’s two-digit numerical code in the PR06 “W2 Description” field.

2. Review employee Resident and Work tax deduction history. Run PR297 and verify that the correct two-digit numerical code is reporting on the W2. Use PR11.5 to override the two-digit numerical code that defaulted from PR06.

For example: Your business has two locations, for tax filing purposes one location is in TCD 06 and the other is in TCD 39. Most of your employees who work at the location in TCD 06 also live in TCD 06. However, a few of the employees who work in TCD 06 (rate 1.0%) live in TCD 39 (rate 1.35%). At the higher rate of 1.35%, the resident tax is withheld and remitted to TCD 06. For W2 reporting, the TCD where the taxes were filed is to be reported. Not the TCD associated with the tax withheld.

Validate PR297 W2 output

Run W2 Forms (PR297) to validate local totals and Box 20 TCD reporting. Review totals section for amounts summarized by W2 description – TCD code. Compare to tax filing reports.

Employee Year-End PA TCD Override (PR11.5) set up:

Enter Company, Report Entity (leave blank if the Company is the Report Entity), Payroll Year, Employee, and Deduction code. Inquire.

Details will be displayed:

- **Tax Authority** - tied to the Deduction Code
- **Type** – from Tax Authority “CI” or “SD”
- **Category** – from Tax Authority “01” (category “84” should not be overridden/reported see above)
- **W2 Desc Local** – from the local tax authority
- **W2 Desc Comp/RE** - from the PA state tax authority
- **YTD Tax Amount** – from QUARTDED
- **YTD Wages** – from QUARTDED

Use the detail lines to override the TCD code or to distribute tax amount/wages to multiple TCDs (up to 10).

- The total Reportable Tax Amount must equal the YTD Tax Amount.
- The total Reportable Wages should equal the YTD Wages (for Authority Type: CI) or should be zero (typically for Authority Type: SD).

Only enter the School District Reportable Wages if a City tax deduction wasn't withheld. For example; the employee is subject to a School District tax but not subject to a City tax based on the live/work address.

Employee Year-End PA TCD Override (PR11.5)

Company: 2940 LGE Corp company record
 Report Entity: PA PA Location 1
 Payroll Year: 2012
 Employee: 600 Evans, Diane
 Deduction Code: PAES PA EAST LAMP
 Tax Authority: PA-ELAMPET Type: CI Category: 1 Local: ELamp
 W2 Desc: Comp/RE 18
 YTD Tax Amount: 50.00 Wages: 10,000.00

Override	Reportable	Reportable	
FC	W2 Desc	Tax Amount	Wages
<input type="checkbox"/>	06	30.00	6000.00
<input type="checkbox"/>	10	20.00	4000.00
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

Inquire complete

Employee Year-End PA TCD Override (PR11.5)

Company: 2940 LGE Corp company record
 Report Entity: PA PA Location 1
 Payroll Year: 2012
 Employee: 600 Evans, Diane
 Deduction Code: PACO PA-CONEVSD
 Tax Authority: PA-CONEVSD Type: SD Category: 1 Local: ConesD
 W2 Desc: Comp/RE 18
 YTD Tax Amount: 50.00 Wages: 10,000.00

Override	Reportable	Reportable	
FC	W2 Desc	Tax Amount	Wages
<input type="checkbox"/>	06	30.00	
<input type="checkbox"/>	10	20.00	
<input type="checkbox"/>			
<input type="checkbox"/>			

Example: Resident taxes were withheld. The employee worked in two locations and taxes were remitted to two different TCDs.

In PR11.5, the TCD code for the City and School District deduction codes is overridden. For the City tax deduction code, enter the overridden TCD codes with the tax amount and wages. For the School District deduction code, enter the overridden TCD codes with the tax amount (leave wages blank otherwise Box 18 will be doubled).

Scenarios

1. You have employees with history on resident taxes that were filed to a different TCD than the PR06 W2 Description field.

This scenario exists if:

- You filed your taxes to multiple TCDs during the year.

- Your Process Levels do not represent work locations.
- You have work locations in close proximity to each other that are located in different TCDs and you have employees who work in one TCD but live within the other TCD.
- The resident tax rate is higher than the work tax rate.

The resident tax is withheld and employee history is stored on that Deduction Code/Tax Authority. However, taxes weren't filed to the resident TCD. The PR06 W2 Description will not be correct for this employee.

Use PR11.5 to override the W2 Description.

2. You changed your tax filing procedure during the year. As a result, tax history for each individual Tax Authority was filed with two different Tax Collection Districts.

Use PR11.5 to redistribute the tax amount to the appropriate Tax Collection District.