

York Adams Tax Bureau

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TO: York Adams Tax Bureau Area Employers Employing Maryland Residents
FROM: Bureau Administrator
SUBJECT: PA Local Tax Withholding Not Required for Maryland Residents

There is a reciprocal tax agreement between the Commonwealth of Pennsylvania and the State of Maryland.

A portion of this agreement provides for residents of Maryland who are employed within Pennsylvania to file and pay state/local tax only to the taxing authority where they reside (Maryland).

This Bureau is of the opinion that this Reciprocal Agreement supersedes the PA State Law which enables Pennsylvania taxing authorities to levy a local earned income tax on Maryland residents employed within Pennsylvania.

At the April 25, 2005 Board of Directors Meeting, the Board approved the recommendation that the member municipalities adopt an ordinance to include non-resident earned income at the source, **excluding Maryland residents**.

Therefore it is the position of this Bureau that Pennsylvania employers within the York Adams Tax Bureau jurisdiction are **NOT** required to withhold the local earned income tax from Maryland residents employed within Pennsylvania.

If there are any questions concerning Maryland resident employees, please contact our Employer Accounts Department at (717) 812-0759, or e-mail Jennifer at Jenniferd@yatb.com.