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Which wage figure do I use from my W-2 to file my local return?

Pennsylvania Local Income Tax is calculated on gross taxable wages.

There are many situations where the highest gross wage figure on the W-2 form is not listed in the local wage box. In these situations the York Adams Tax Bureau will assess the tax based on the highest gross wage figure listed on the W-2 form, less any non-taxable income shown on the W-2 form.

When reviewing your W-2 to determine the taxable gross wages for local tax purposes, use the following steps:

- 1) Compare the wages reported in boxes 16 (state wages-PA) and 18 (local wages). If the wages are the same, **AND** there is no higher wage figure listed in any other income boxes, this should be your locally taxable wage.
- 2) If the PA state wages and local wages are not the same or if no local wage (box 18) is reported or there is a higher wage figure listed in another income box, compare the wages reported in box 5 (Medicare wages) with box 16 (state wages-PA). If these figures are the same, this is your taxable wage.
- 3) If the box 5 and box 16 figures are different, check box 12 for a code C deduction. If the code C deduction in box 12 is the difference between the Medicare and PA State wages, the PA state wage figure (box 16) is your taxable wage.

Another way to determine locally taxable wages, **if there is no wage amount in the local wage box**, is to begin with box 1 (Federal wages), then add any 12D reported in box 12 and subtract any 12C reported in box 12. The end result should match the PA state wage figure in box 16 and is the taxable wage.

In some cases the gross wages listed in the local wage box will be greater than the gross wages listed in the PA state wage box. In this situation the York Adams Tax Bureau will assess the tax based on the amount listed in the local wage box. If you feel that your W-2 was prepared in error you should contact your employer for a corrected W-2 form (W-2c) or for a written explanation as to why the PA state and local wages do not agree.

In the event that none of the above methods work and there is no clearly identifiable non-taxable earnings listed on the W-2, the highest gross wage figure reported on the W-2 should be used as the taxable wage.