**Pennsylvania Payroll Taxes**

**PA State Income Tax Withholding**

PA Department of Revenue Employer Withholding website: <https://www.revenue.pa.gov/TaxTypes/EmployerWithholding/Pages/default.aspx>

PA Employer Withholding Information Guide: <https://www.revenue.pa.gov/FormsandPublications/FormsforBusinesses/EmployerWithholding/Documents/rev-415.pdf>

**Who Must Withhold PA State Income Taxes**

Pennsylvania law requires the withholding of Pennsylvania personal income tax from compensation of resident employees for services performed within or outside Pennsylvania. Pennsylvania personal income tax must also be withheld from compensation of nonresident employees for services performed within Pennsylvania, unless a nonresident lives in a state with which Pennsylvania has a reciprocal tax agreement (currently Indiana, Maryland, New Jersey, Ohio, Virginia, and West Virginia).

Employers may register for employer taxes, remit tax payments, and file returns online via the Pennsylvania Tax Hub myPATH at: <https://www.mypath.pa.gov/_/>.

For each payroll period, an employer must calculate the tax to be withheld from an employee’s compensation by multiplying such compensation subject to withholding by the current percentage rate, which can be found by visiting the department’s Online Customer Service Center at [www.revenue.pa.gov](http://www.revenue.pa.gov).

Employers currently withhold and remit employees’ taxes on wage and salary income according to the following schedule:

* Quarterly – If total withholding is under $300 per quarter, the taxes are due the last day of April, July, October, and January.
* Monthly – If total withholding is $300 to $999 per quarter, the taxes are due the 15th day of the following month.
* Semi-Monthly - If total withholding is $1,000 to $4,999.99 per quarter, the taxes are due within three banking days of the close of the semi-monthly period.
* Semi-Weekly – If total withholding is $5,000 or greater per quarter ($20,000 per year), the taxes are due on the Wednesday following the pay dates for employers whose paydays fall on a Wednesday, Thursday, or Friday; and on the Friday following the pay dates for employers whose paydays fall on Saturday, Sunday, Monday, or Tuesday.

Employers are also required to file reconciliation returns for each quarter, wage and tax statements (W-2s) for all employees, and W-2 transmittals.

Pennsylvania’s Local Tax Enabling Act authorizes most political subdivisions, including school districts, to impose Earned Income Taxes (EIT) and Local Services Tax (LST). Employers with worksites located in Pennsylvania, including residences of home-based employees, are required to withhold and remit the local EIT and LST for employees.

* For employees living in a taxing jurisdiction that imposes a resident tax rate, the amount deducted is to be based on the policy of the jurisdiction that fixes the resident tax rate where the employee lives.
* For employees living in a taxing jurisdiction with no resident rate or with a resident rate that is lower than the nonresident rate of the taxing jurisdiction of the place of business, the amount deducted is based on the legislation of the taxing district that fixes the nonresident rate where the place of business is.

Local returns, with payments, are due to the relevant taxing jurisdictions quarterly, by April 30 (for January, February, and March), by July 31, (for April, May, and June), by October 31 (for July, August, and September) and by January 31 (for October, November, and December.

The Pennsylvania Department of Community and Economic Development (DCED) has a number of resources available to taxpayers regarding local income taxes. Local Withholding Tax FAQs are here: <https://dced.pa.gov/local-government/local-income-tax-information/local-withholding-tax-faqs/>. To connect with the PA Governor’s Center for Local Government Services (GCLGS), email ra-dcedclgs@pa.gov or telephone (888) 223-6837.

**PA W-4 Requirements**

Pennsylvania does not have a form similar to the federal W-4 form, since Pennsylvania Personal Income Tax is based on a flat tax rate and everyone pays the same rate.

**PA State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Per the PA Department of Labor & Industry Status Determination Unit via email on 09/25/23, “Wages paid by a State Government Entity other than Pennsylvania [e.g., a Washington community college] are not considered covered wages for Pennsylvania Unemployment Compensation (UC). Because the other State Government Entity is a State Government Entity or Instrumentality of a State other than Pennsylvania, the other State Government Entity does not meet the definition of 'employer' as specified in the Pennsylvania Unemployment Compensation Law. Therefore, even though they may have employees working remotely in Pennsylvania, the wages are not covered for PA UC purposes.”

**PA State Workers’ Compensation**

Workers' compensation coverage is mandatory for most employers under Pennsylvania law. In Pennsylvania, employers can obtain workers' compensation insurance through a licensed insurance carrier or the State Workers' Insurance Fund. In addition, employers can apply to the bureau to seek approval to self-insure their liability. Self-insurance is granted by the bureau based on criteria established by the act and the department.

Employees are covered for the entire period of their employment. Therefore, coverage begins the first day on the job. Injuries or diseases caused or aggravated by employment are covered under workers' compensation, regardless of the employee's previous physical condition.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**PA State Paid Family / Medical Leave**

Pennsylvania does not have a paid family and medical leave program as of 10/23/2024.

Washington Paid Family & Medical Leave (PFML) and Washington Cares benefits are not available to employees who are physically working in Pennsylvania. If agencies have WA PFML or WA Cares policy questions, they are asked to email Washington Employment Security Department at esddlpfmlpolicy@esd.wa.gov.

**Helpful resources for Pennsylvania**

PA Dept of Revenue Online Customer Service Center: <https://revenue-pa.custhelp.com/>

PA Department of Labor & Industry (Unemployment and Workers’ Compensation): <https://www.dli.pa.gov/Pages/default.aspx>

PA Unemployment Compensation Tax Services: <https://www.uc.pa.gov/employers-uc-services-uc-tax/Pages/Tax-Services.aspx>

PA Local Income Tax Information: <https://dced.pa.gov/local-government/local-income-tax-information/>

Look up PA Local Income Tax Withholding Rates by Address here: <https://munstats.pa.gov/Public/FindLocalTax.aspx>

PA Dept of Labor & Industry Workers’ Compensation Services: <https://www.dli.pa.gov/Businesses/Compensation/Pages/default.aspx>