

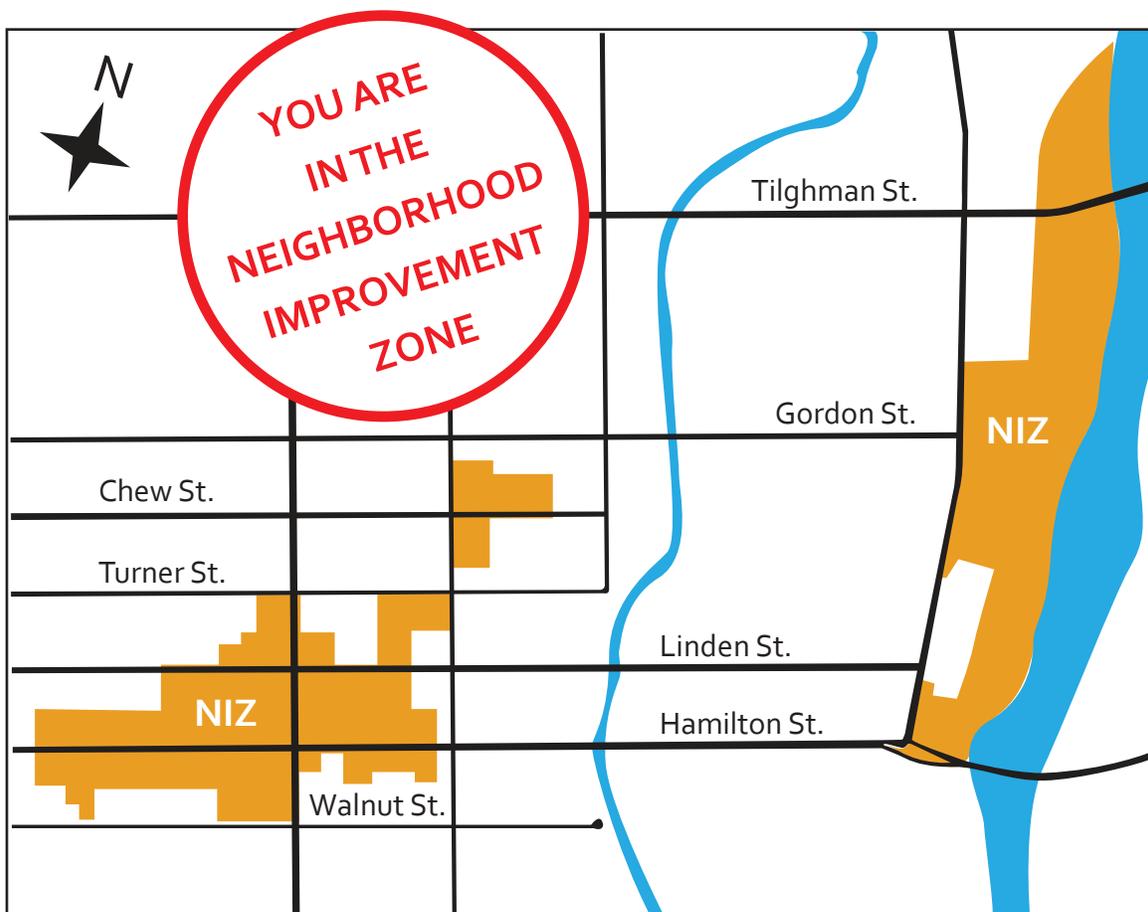
Allentown
Neighborhood Improvement Zone (NIZ)
2015 Business Information Packet
For Calendar Year Reporting January 1 - December 31, 2015
Due on or before January 30, 2016

What is the Neighborhood Improvement Zone (NIZ)?

Created by a state law in 2011, the Neighborhood Improvement Zone (NIZ) is a special taxing district that encourages development and revitalization in Allentown. The NIZ consists of approximately 128 acres in center city Allentown and along the western side of the Lehigh River.

Under the law, certain state and local tax revenues generated by new and existing businesses within the NIZ can be used to pay debt on bonds and loans that are issued for qualifying capital improvements in the zone. Those improvements include the public-private arena complex at Seventh and Hamilton streets as well as other private commercial, retail, residential, hospitality, conference and exhibition projects of approved applicants.

The NIZ is overseen and managed by the Allentown Neighborhood Improvement Zone Development Authority (ANIZDA).



Why was the NIZ created?

The NIZ was created as an economic development tool to spur the transformation of downtown Allentown, beginning with the construction of an event arena that will be home to the Lehigh Valley Phantoms, the professional minor-league hockey team affiliated with the Philadelphia Flyers. Expanding from there, the NIZ is designed to revitalize the arena's whole neighborhood, as well as the city's Lehigh River waterfront, creating a dynamic, healthy and more successful urban core.



NIZ Benefits to Allentown:

- New commerce, increased tourism, new companies
- Thousands of new jobs
- A strengthened, more collaborative community
- A range of housing options
- A distinctive, attractive, vibrant downtown
- Smart growth that encourages multiple land uses **while preserving open space and historic buildings**

NIZ Benefits to Your Business:

- Expected property value increase
- Improved cleanliness, safety & streetscapes
- More parking and better access to your business
- Increased foot traffic with:
 - New housing, hotels, restaurants & retail
 - 2,000-3,000 more people working in the NIZ
 - Arena events 1 of every 3 nights
 - 4 million new visitors to Allentown each year

Allentown will be a destination city for commerce, entertainment, culture and more!

NIZ Reporting - what do I have to do, by when, and why?

Business owners within the NIZ will not incur any additional taxes as a result of the NIZ. However, under the NIZ law, you are required to report the taxes your business already pays and reports to state and local agencies. Please begin completing your NIZ reporting forms well in advance of the deadline.

WHAT

Reporting is on a **CASH BASIS**...meaning, you report based on what your business has *actually paid* from January 1, 2015 through December 31, 2015. You must complete and file all forms for 2015 to be received by the Pennsylvania Department of Revenue (DOR) and the City of Allentown (COA) on or before **January 30, 2016**. ***Please begin reporting efforts well before the deadline noted above and keep a copy of the reports you send and evidence of timely filing.***

Below is a list of NIZ tax reporting requirements. Please see the next page for a complete table of applicable state and local tax forms, as well as their associated examples.

Pennsylvania State (Department of Revenue) Forms:

- 1 NIZ Zone Program Annual Tax Report (must be filed electronically)

Please visit the State's website at www.revenue.pa.gov/NIZ for electronic filing instructions and sign-on instructions. Please be sure to print a copy of confirmation of electronic filing.

For information on how to register to do business in Pennsylvania, visit the Department of Revenue website: http://www.revenue.state.pa.us/portal/server.pt/document/630164/rev-588_pdf

City of Allentown Forms:

- 1 NIZ Program Local Tax Report

Please visit the City of Allentown's website to download forms and instructions:
www.allentownpa.gov/Neighborhood-Improvement-Zone

This is a paper form that must be mailed by January 30th.

NIZ Tax Reporting Table

Applicable state and local taxes are noted below. To view examples for a given tax, please reference the example number below.

1 Form Name	See Example
Supplemental Apportionment Worksheet, if applicable	PAP1
Corporate Net Income Tax	CNI
Capital Stock/Foreign Franchise Tax	CST
Bank Shares Tax	BNK
Sales, Use & Hotel Occupancy Tax	SU & HO
Employer Withholding Tax	EWH
Gross Receipts Tax - Electric Company	
Gross Receipts Tax - Telecommunications Company	
Gross Receipts Tax - Transportation Company	
Gross Receipts Tax - Private Bankers	
Gross Receipts Tax - Managed Care Organization	
Unemployment Compensation	UC
Realty Transfer Tax	RLTY
Cigarette Tax	
Vehicle Rental Tax/Public Transportation Assistance	VRNT
Vehicle Lease Tax/Public Transportation Assistance	VLES
Gross Premiums Tax	GROP
Personal Income Tax - Passthrough	PIT
Malt Beverage Tax	MALT
Liquor Tax	LIQR

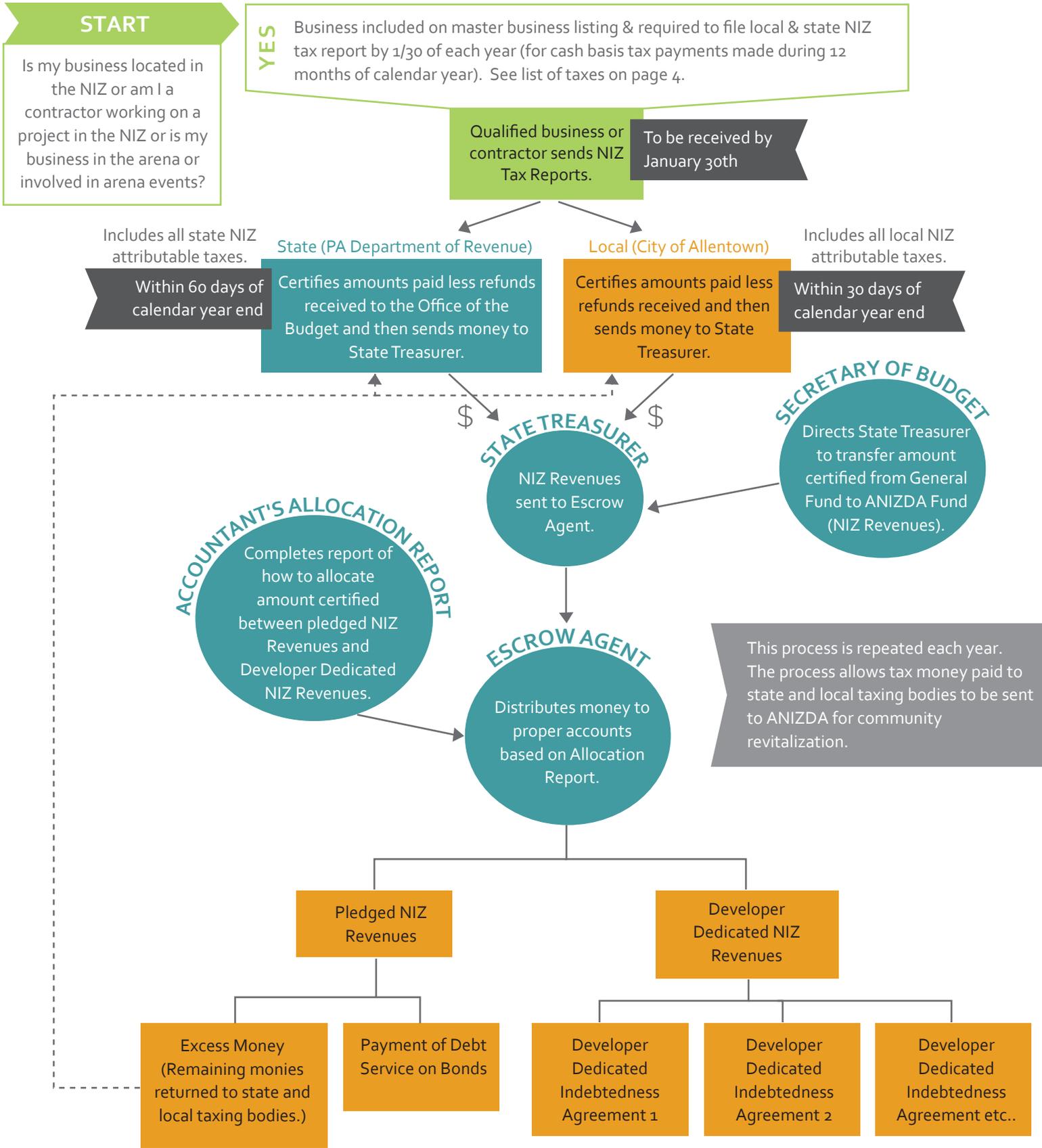
Form Name	See Example
Contractor Sales & Use Tax	C-SU
Public Utility Realty Tax	PUR
Title Insurance Company Shares Tax	TICO
Net Income Tax - Mutual Thrift Institutions	NITM

Any new tax enacted by the Commonwealth subsequent to creation of NIZ on 6/28/11.		
Any tax imposed by the Commonwealth or local municipality, except real estate taxes, for activity within the neighborhood improvement zone or directly or indirectly on any sale or purchase of goods or services where the point of sale or purchase is within the neighborhood improvement zone.		

1 Form Name	See Example
NIZ Program Annual Tax Report	A1
Local Employer Wage/Earned Income Tax Schedule	A2
Local Service Tax Schedule	A3
Business Privilege Tax & Licensing Fee Schedule	A4
NIZ Tax Remittance Summary	A5

- State Taxes (PA Department of Revenue)
- Local Taxes (City of Allentown)

How does the NIZ reporting process work?



Annual NIZ Reporting and Certification Process

START

Is my business located in the NIZ or am I a contractor working on a project in the NIZ or is my business in the arena or involved in arena events?

YES NIZ business or business working in the NIZ is included on master business listing & required to file local & state NIZ tax report by 1/30 of each year (for cash basis tax payments made during 12 months of calendar year). See list of taxes on page 4.

NIZ business or business working in the NIZ files respective tax reports.

To be received on or before January 30th

BUSINESSES: Please maintain evidence of timely filing.

REPORTING

If NIZ business, a contractor working on a project in the NIZ or involved in arena events, or working in the arena as a performer, supporting business, vendor, trade show or event, etc., you must complete:

STATE

- 1 State NIZ Program Annual Tax Report (filed electronically)

LOCAL

- 1 Local NIZ Annual Tax Report (mail-in paper form) and send to City of Allentown (address on tax form).

CERTIFICATION

Includes all state NIZ attributable taxes.

Within 60 days of calendar year end

State (PA Department of Revenue)

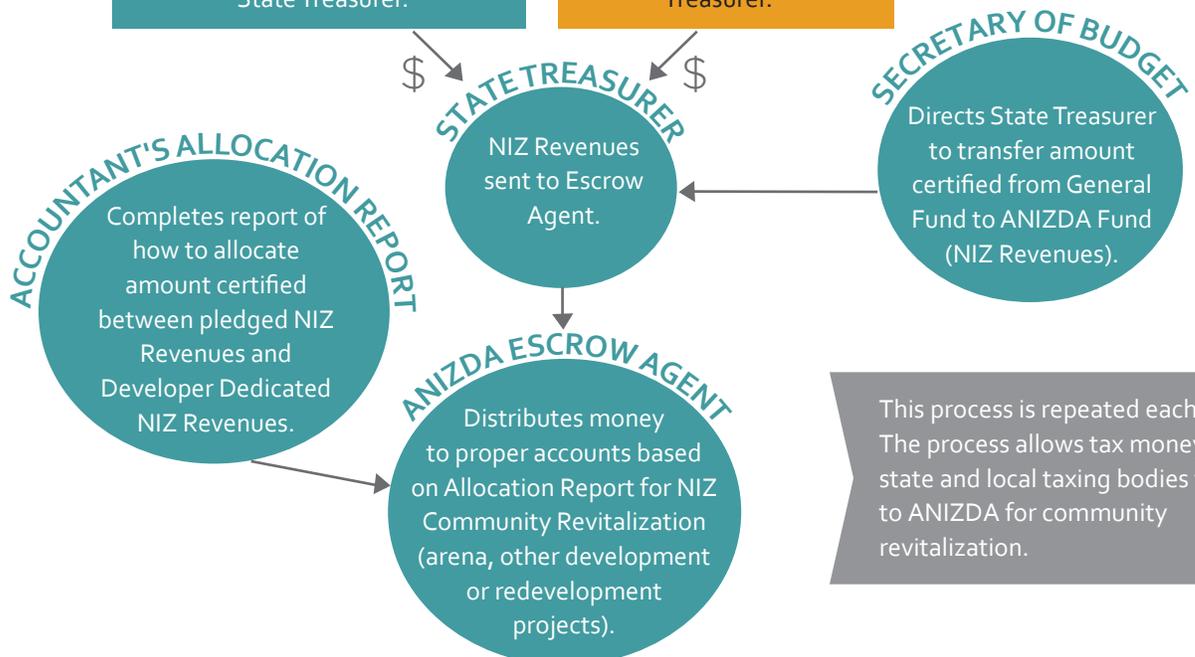
Certifies amounts paid less refunds received to the Office of the Budget and then sends money to State Treasurer.

Local (City of Allentown)

Certifies amounts paid less refunds received and then sends money to State Treasurer.

Includes all local NIZ attributable taxes.

Within 30 days of calendar year end



This process is repeated each year. The process allows tax money paid to state and local taxing bodies to be sent to ANIZDA for community revitalization.

Annual NIZ Contractor Reporting

Must be completed for each project address.

START

Is my business located in the NIZ or is my business working on a project in the NIZ whether you are physically on-site in the NIZ or not?

YES

NIZ business or business working in the NIZ is included on master business listing & required to file local & state NIZ tax report by 1/30 of each year (for cash basis tax payments made during 12 months of calendar year). See list of taxes on page 4.

NIZ business or business working on a NIZ project files respective tax reports.

To be received on or before January 30th

BUSINESSES: Please maintain evidence of timely filing.

Contractors are included in the NIZ Master Business Listing under each project address they are working on. Contractors include all businesses, including professional service firms, working on a specific project in the NIZ regardless of where they are working on the project.

If NIZ business is also working on other projects in the NIZ besides your business, you must complete:

STATE

- 1 State NIZ Program Annual Tax Report (filed electronically)

LOCAL

- 1 Local NIZ Annual Tax Report (mail-in paper form) and send to City of Allentown (address on tax form).

If not a NIZ business but a business working on a project/projects in the NIZ (whether you are physically on-site in the NIZ or not), you must complete:

STATE

- 1 State NIZ Program Annual Tax Report (for project(s) work for all projects worked on in the NIZ / must provide project(s) addresses) and file electronically at Department of Revenue website. **NOTE: 1 STATE and 1 LOCAL form must be completed for each NIZ project. For example, if working on 3 NIZ projects, 3 STATE and 3 LOCAL reports must be completed.**

LOCAL

- 1 Local NIZ Annual Tax Report (for project(s) work for all projects worked on in the NIZ / must provide project(s) addresses) and send to City of Allentown (mail-in paper form—address on report form).

STATE
CONTRACTOR
REPORTING
(continued on
next page)

LOCAL
CONTRACTOR
REPORTING
(continued on
next page)

Annual NIZ Contractor Reporting (continued)

1 STATE CONTRACTOR REPORTING

For each project, the Contractor business must report to the State Department of Revenue the project specific cash basis taxes paid (less cash basis refunds received) for Sales and Use taxes on Purchases and Payroll taxes paid on wages or Personal Income Tax (PIT) paid on passthrough income for partners (PA Employer Withholding). The Summary of all cash basis taxes paid (less cash basis refunds received).

EXAMPLE

ABC Company Inc.

Complete 1 STATE and 1 LOCAL form for each project address.	Sales & use taxes on project	Wage or passthrough tax on project
701 Hamilton St. 702 Hamilton St. 401 Chew St. 150 N. 7th St.	Follow detailed example for project address and include on one or both of the contractors sales & use tax lines on the state form.	Follow detailed example for project address and include on employer withholding line on state form.

File electronically at:
www.revenue.pa.gov/NIZ

LOCAL CONTRACTOR REPORTING

For each project, the Contractor business must report to the City of Allentown Office of Finance on the City of Allentown 2015 NIZ Program Local Tax Report the project specific cash basis taxes paid (less cash basis refunds received) for EIT, LST, BPT and Business License (BL) Fees (Examples A1-A5) for all projects.

EXAMPLE

ABC Company Inc.

Example A1	Example A2	Example A3	Example A4	Example A5
Complete 1 STATE and 1 LOCAL form for each project address.	EIT on project	LST on project	BPT & BL on project	Total for project
701 Hamilton St. 702 Hamilton St. 401 Chew St. 150 N. 7th St.	Follow detailed example for each project address	Follow detailed example for each project address	Follow detailed example for each project address	

Paper form must be sent to:

City of Allentown
Attention: Office of Finance Director
435 Hamilton St. Allentown, PA. 18101

Form available at:

www.allentownpa.gov/Neighborhood-Improvement-Zone

TAX KEY

In-City businesses: pay BPT, BL, EIT & LST

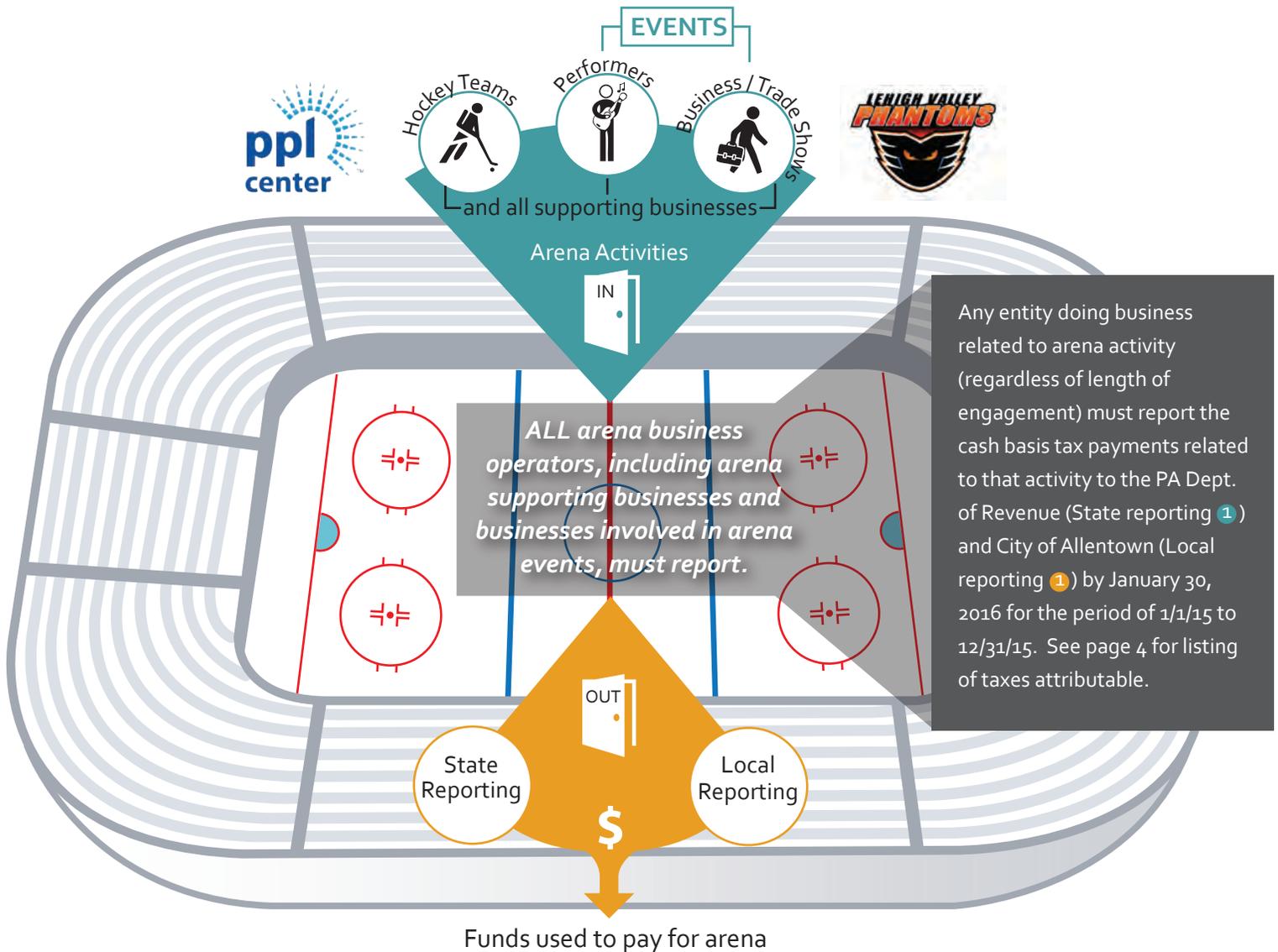
Out-of-City contractors & subcontractors

- Supplier only: **NO** BPT, BL, EIT or LST liability
- Performing services in Allentown: pay BPT & BL; **NO** EIT or LST liability

Out-of-City professional service entities providing services for NIZ projects from their offices outside of the NIZ: **NO** BPT, BL, EIT or LST liability.

Are you doing business in the arena or involved as a business in arena events?

Businesses involved in arena events or doing business in the arena are required to report cash basis tax payments related to those business activities, regardless of length of engagement at the arena.



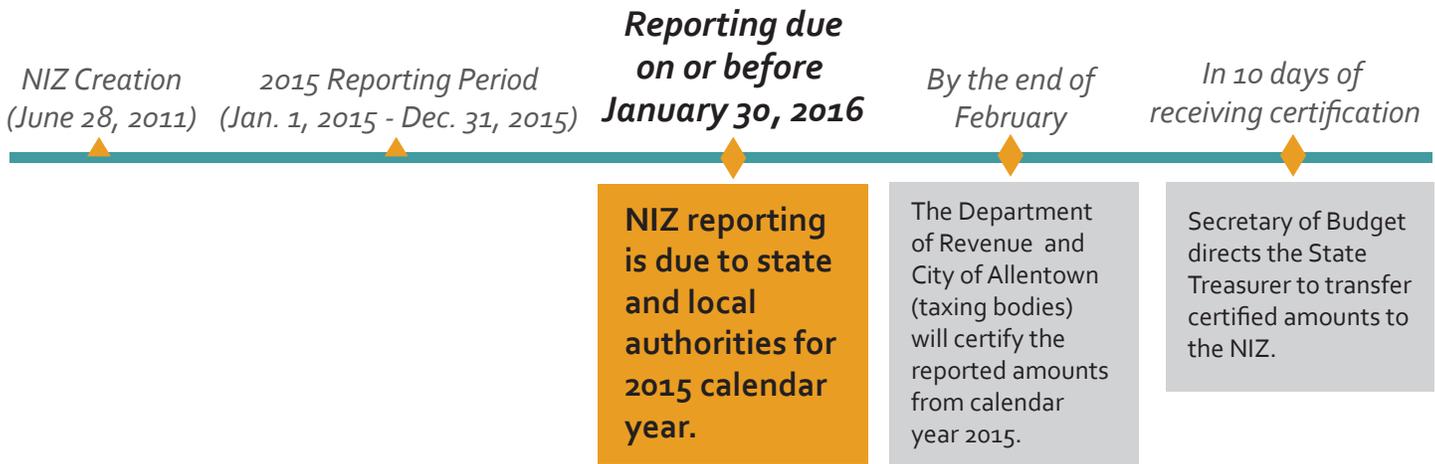
ARENA ACTIVITY TAX KEY

Any businesses ***operating out of the arena building*** needs to register their business with the city and pay BPT and BL, as well as EIT and LST for employees working in the arena.

Performers and other businesses ***in the arena for an event or involved in arena events*** must pay EIT and LST.

WHEN

Must be received on or before January 30, 2016 for the calendar year ended December 31, 2015 (January 1, 2015 through December 31, 2015). **Filings received after January 30, 2016 will be assessed a penalty on all state taxes so please don't delay. Please maintain evidence of timeline filing.**



WHY

So that the Department of Revenue and City of Allentown (taxing bodies) can certify the amount of tax revenue that was paid and that the NIZ can use to pay down the debt service used to fund the NIZ area development projects.

What if I have questions and need help?

We are waiting to help you. Here's how you can reach us:

- Contact Deana Zosky, the ANIZDA Board's Business Liaison, at 484-951-1289 or email allentownnizcompliance@four-score.com for questions about reporting.
- Make an appointment to visit our team's NIZ Office at:
The Velocity Building
532 Hamilton St.
Allentown, PA
- Contact us at allentownnizcompliance@four-score.com or 484-951-1289 to schedule an appointment if you'd like our team to come to your NIZ business location.

Thanks for being part of Allentown's revitalization! Anything we can do to help you complete the NIZ Reporting please do not hesitate to contact us. We are looking forward to helping your business thrive in the NIZ!

**Supplemental Apportionment Worksheet for Corporations
2015
Example Company, Inc.**

Example
PAP1

A. Property Factor	*Average Property In NIZ	3,000,000	=	0.300000
	*Average PA Property	10,000,000		
B. Payroll Factor	Payroll In NIZ	760,000	=	0.628099
	PA Payroll	1,210,000		
C. Sales Factor	Sales In NIZ	2,000,000	=	0.333333
	PA Sales	6,000,000		
D. Total Apportionment				1.261432
E. Tax Percentage		1.261432 / 3	=	0.420477
F. NIZ TAX LIABILITY	Line A - All Pennsylvania Locations X 0.420477			= NIZ Portion

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the above Supplemental Apportionment Worksheet must be completed to calculate the amount reporting in Line B and D (NIZ Location Portion).

* Average Property is the value at the beginning of the year plus the value at the end of the year divided by 2

**PA Corporate Net Income Tax Schedule
2015
Example Company, Inc.
Corporate Net Income Taxes Paid from 1/1/2015 to 12/31/2015**

Example
CNI

Example Company, Inc. has several locations within Pennsylvania; two are in the NIZ. In March 2015 they paid \$5,000 of Corporate Net Income Tax with their 2014 tax return. They also paid quarterly Corporate Income Tax estimated payments in the amount of \$60,000 throughout the year.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the Supplemental Apportionment Worksheet (PAP1) must be completed to calculate the amount reporting in Line B and D (NIZ Location).

Paid with tax return	5,000	
Quarterly estimated payments	60,000	
Total Corporate Income Tax Paid	65,000	
Times Tax Percentage (page PAP1)	0.420477	
NIZ Portion	27,331	

Tax Payments

All Pennsylvania Locations

\$ 65,000 Total tax remitted in the form of a payment, received by the department for consolidated corporate net income tax.

NIZ Location

\$ 27,331 Total Corporate Net Income Tax attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0 Refunds granted for Corporate Net Income Tax.

NIZ Location

\$ 0 Refunds granted, attributable to the location within the NIZ for corporate net income taxes.

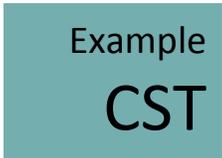
Tax Payment Apportionment Factor

Please provide the percentage of corporate net income tax attributable to the location within the NIZ:

42.05 %.

**PA Capital Stock/Foreign Franchise Tax Schedule
2015**

**Example Company, Inc.
Capital Stock Taxes Paid from 1/1/2015 to 12/31/2015**



Example Company, Inc. has several locations within Pennsylvania; two are in the NIZ. In March 2015 they paid \$500 of Capital Stock Tax with their 2014 tax return. They also paid quarterly Capital Stock Tax estimated payments in the amount of \$2,000 throughout the year.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the Supplemental Apportionment Worksheet (PAP1) must be completed to calculate the amount reporting in Line B and D (NIZ Location).

Due with tax return	500	
Quarterly estimated payments	2,000	
Total Corporate Income Tax Paid	2,500	
Times Tax Percentage (page PAP1)	0.420477	
NIZ Portion	1,051	

Tax Payments

All Pennsylvania Locations

\$ 2,500 Total tax remitted in the form of a payment, received by the department for consolidated capital stock/foreign franchise tax.

NIZ Location

\$ 1,051 Total capital stock/foreign franchise tax attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0 Refunds granted for capital stock/franchise tax.

NIZ Location

\$ 0 Refunds granted attributable to the location within the NIZ for capital stock/foreign franchise tax.

Tax Payment Apportionment Factor

Please provide the percentage of capital stock/foreign franchise tax attributable to the location within the NIZ:

42.05 %.

**Bank Shares Tax
2015
Example Company, Inc.
Bank Shares Tax Paid from 1/1/2015 to 12/31/2015**



Example Company, Inc. owns two banks in Pennsylvania that are subject to the bank shares tax; one is located in the NIZ. In March of 2015 they completed PA RCT-132 (Shares Tax & Loans Tax Report). The tax due amounted to \$25,000 and was paid with the filing of the report.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the Supplemental Apportionment Worksheet (PAP1) must be completed to calculate the amount reporting in Line B and D (NIZ Location).

Tax Paid	25,000	
Times Tax Percentage (page PAP1)	0.420477	
NIZ Portion	10,512	

Tax Type: Bank Shares Tax

Tax Payments

All Pennsylvania Locations

\$ 25,000 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

NIZ Location

\$ 10,512 Total tax type identified above attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0 Refunds granted for consolidated tax type identified above.

NIZ Location

\$ 0 Refunds granted for tax type identified above attributable to the location within the NIZ.

Tax Payment Apportionment Factor

Please provide the percentage of tax type identified above attributable to the location within the NIZ zone:

42.05 %.

**PA Sales, Use & Hotel Occupancy Tax Schedule
2015**

**Example Company, Inc.
Sales & Use Taxes Paid from 1/1/2015 to 12/31/2015**

Example
SU

Example Company, Inc. has two retail stores; one in the NIZ and one in Harrisburg. They had annual sales from their NIZ store of \$2,000,000 and sales from the Harrisburg store of \$4,000,000, for a total of \$6,000,000 in sales.

The company also purchased furniture from New Jersey for use in their NIZ store in the amount of \$6,000. The vendor did not charge sales tax on the invoice for the purchase.

In 2015 the company paid sales & use tax to the PA Dept. of Revenue, using Form PA-3 (Sales, Use & Hotel Occupancy Tax Return), in January, April, July and October that totaled \$360,360 for the year.

In February of 2015, they received a refund in the amount of \$250 for overpayment of sales tax in the 4th quarter of 2014.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	<u>Store Sales</u>	<u>Purchase Subject to Use Tax @ 6%</u>	<u>Sales/Use Tax Remitted @ 6%</u>	<u>Refund</u>
Total Sales Tax Paid	6,000,000		360,000	250
Total Use Tax Paid	-	6,000	360	-
NIZ Portion	6,000,000	6,000	360,360 120,022	250 83

Tax Payments

All Pennsylvania Locations

\$ 360,360

← Total tax remitted in the form of a payment, received by the department for consolidated sales, use & hotel occupancy.

NIZ Location

\$ 120,022

← Total sales, use and hotel occupancy tax attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 250

← Refunds granted to the consolidated sales, use and hotel occupancy account.

NIZ Location

\$ 83

← Refunds granted attributable to the location within the NIZ for sales, use and hotel occupancy taxes.

**PA Sales, Use & Hotel Occupancy Tax Schedule
2015**

Example Company, Inc.

Hotel Occupancy Taxes Paid from 1/1/2015 to 12/31/2015

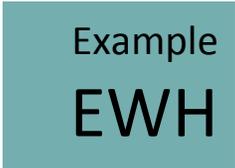
Example
HO

Example Company, Inc., is a hotel operator and owns several hotels located throughout Pennsylvania. The Company has one hotel located within the NIZ. In 2015 the Company paid \$60,000 in hotel occupancy taxes to the PA Department of Revenue, using form PA-3 (Sales, Use & Hotel Occupancy Tax Return), of which \$20,000 was related to the NIZ location.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

		<u>Hotel Occupancy Remitted @ 6%</u>	
Total Hotel Occupancy Tax Paid		60,000	
Total Hotel Occupancy Tax Paid - NIZ Location		20,000	
	<u>Tax Payments</u>		
All Pennsylvania Locations	←		
\$ <u>60,000</u>			Total tax remitted in the form of a payment, received by the department for consolidated sales, use & hotel occupancy.
NIZ Location	←		
\$ <u>20,000</u>			Total sales, use and hotel occupancy tax attributable to the location within the NIZ.
	<u>Tax Refunds</u>		
All Pennsylvania Locations			
\$ <u>0</u>			Refunds granted to the consolidated sales, use and hotel occupancy tax account.
NIZ Location			
\$ <u>0</u>			Refunds granted attributable to the location within the NIZ for sales, use and hotel occupancy taxes.

**PA Employer Withholding Tax Schedule
2015
Example Company, Inc.
Payroll Taxes Paid from 1/1/2015 to 12/31/2015**



Example Company, Inc. has two offices; one in the NIZ and one in Harrisburg. They have four employees, two work in the NIZ office location. In 2015 the company paid withholding taxes to the PA Dept. of Revenue, using Form PA-W3 (Employer Quarterly Return of Withholding Tax), in January, April, July and October that totaled \$3,715 for the year.

Allocation

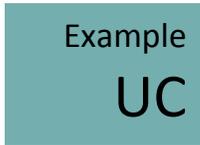
NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	<u>Employed in NIZ office</u>	<u>Gross Wages</u>	<u>State Withholding @ 3.07%</u>	
Employee #1	y	42,000	1,289	} \$2,333
Employee #2	y	34,000	1,044	
Employee #3	n	30,000	921	
Employee #4	n	<u>15,000</u>	<u>461</u>	
		121,000	3,715	
		<u>Tax Payments</u>		
All Pennsylvania Locations				
\$	<u>3,715</u>	← Total tax remitted in the form of a payment, received by the department for consolidated employer withholding.		
NIZ Location				
\$	<u>2,333</u>	← Total employer withholding attributable to the location within the NIZ.		
		<u>Tax Refunds</u>		
All Pennsylvania Locations				
\$	<u>0</u>	Refunds granted to the Consolidated Employer Withholding Account.		
NIZ Location				
\$	<u>0</u>	Refunds granted attributable to the location within the NIZ for employer withholding.		

**PA Unemployment Compensation Tax Schedule
2015**

Example Company, Inc.

Unemployment Compensation Taxes Paid from 1/1/2015 to 12/31/2015



Example Company, Inc. has two offices; one in the NIZ and one in Harrisburg. They have four employees, two work in the NIZ office location. In 2015 the company paid unemployment compensation taxes to the PA Dept. of Revenue, using Form PA UC-2 (Unemployment Compensation Quarterly Tax Form), in January, April, July and October that totaled \$200 for the year.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	Employed in NIZ office	Gross Wages	(ER + EE) Unemployment Compensation Tax	
Employee #1	y	42,000	58	} \$111
Employee #2	y	34,000	53	
Employee #3	n	30,000	50	
Employee #4	n	<u>15,000</u>	<u>39</u>	
		121,000	200	
Tax Payments				
All Pennsylvania Locations				
\$ <u>200</u>				Total tax remitted in the form of a payment, received by the department for consolidated employer withholding.
NIZ Location				
\$ <u>111</u>				Total employer withholding attributable to the location within the NIZ.
Tax Refunds				
All Pennsylvania Locations				
\$ <u>0</u>				Refunds granted to the Consolidated Employer Account.
NIZ Location				
\$ <u>0</u>				Refunds granted attributable to the location within the NIZ for employer withholding.

**Realty Transfer Tax
2015
Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015**

**Example
RLTY**

In 2015 Example Company, Inc. paid \$25,000 in realty transfer taxes on two properties acquired in Pennsylvania. One property was located in the NIZ and one property was located in Harrisburg.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

Tax Paid	25,000	
NIZ Portion	10,512	

Tax Type: Realty Transfer Tax

Tax Payments

All Pennsylvania Locations

\$ 25,000 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

NIZ Location

\$ 10,512 Total tax type identified above attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0 Refunds granted for consolidated tax type identified above.

NIZ Location

\$ 0 Refunds granted for tax type identified above attributable to the location within the NIZ.

Motor Vehicle Rental Tax
2015
Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015

Example
VRNT

Example Company, Inc. owns several vehicles (more than five) that they have available for rent. They have six locations throughout Pennsylvania; one within the NIZ. In 2015, the company paid a total of \$20,000 in Vehicle Rental Tax to Pennsylvania on Form PA-5R.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	Tax Paid	20,000	
	NIZ Portion	2,500	
Tax Type:	<u>Vehicle Rental Tax</u>		
	<u>Tax Payments</u>		
All Pennsylvania Locations	←		
\$ 20,000			Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.
NIZ Location	←		
\$ 2,500			Total tax type identified above attributable to the location within the NIZ.
	<u>Tax Refunds</u>		
All Pennsylvania Locations			
\$ 0			Refunds granted for consolidated tax type identified above.
NIZ Location			
\$ 0			Refunds granted for tax type identified above attributable to the location within the NIZ.

**Motor Vehicle Lease Tax
2015
Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015**



Example Company, Inc. leases vehicles based on a three year contact. They have six locations throughout Pennsylvania; one within the NIZ. In 2015 the company made quarterly payments of \$1,250 using Form PA-4R to remit the tax, for a total of \$5,000 for the year.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	Tax Paid	5,000	
	NIZ Portion	252	
Tax Type:	<u>Vehicle lease Tax</u>		
	<u>Tax Payments</u>		
All Pennsylvania Locations	←		
\$ <u>5,000</u>			Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.
NIZ Location	←		
\$ <u>252</u>			Total tax type identified above attributable to the location within the NIZ.
	<u>Tax Refunds</u>		
All Pennsylvania Locations			
\$ <u>0</u>			Refunds granted for consolidated tax type identified above.
NIZ Location			
\$ <u>0</u>			Refunds granted for tax type identified above attributable to the location within the NIZ.

**Gross Premiums Tax
2015**
Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015



Example Company, Inc. owns two insurance companies in Pennsylvania; one is located in the NIZ. The company paid \$20,000 in gross premiums tax in 2015.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the Supplemental Apportionment Worksheet (PAP1) must be completed to calculate the amount reporting in Line B and D (NIZ Location).

Tax Paid	20,000	
Times Tax Percentage (page PAP1)	0.420477	
NIZ Portion	8,410	

Tax Type: Gross Premiums Tax

Tax Payments

All Pennsylvania Locations

\$ 20,000 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

NIZ Location

\$ 8,410 Total tax type identified above attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0 Refunds granted for consolidated tax type identified above.

NIZ Location

\$ 0 Refunds granted for tax type identified above attributable to the location within the NIZ.

Tax Payment Apportionment Factor

Please provide the percentage of tax type identified above attributable to the location within the NIZ zone:

42.05 %.

Personal Income Tax (PIT) Imposed on Passthrough Entity Income 2015

Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015

Example
PIT

Example Company, Inc. is a Pennsylvania Passthrough Entity with one shareholder. For the year 2015, the entity reported \$500,000 in net income. No PA individual income tax withholding was reported by the entity. In March of 2015 the shareholder paid \$15,350 of Pennsylvania personal income tax to the PA Dept. of Revenue on this income at 3.07%.

Passthrough entities include:

- S Corporation
- LLC
- Partnership
- LP (Limited Partnership)

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the Supplemental Apportionment Worksheet (PAP1) must be completed to calculate the amount reporting in Line B and D (NIZ Location).

Tax Paid	15,350	
Times Tax Percentage (page PAP1)	0.420477	
NIZ Portion	6,454	

Tax Type: Passthrough Entity

Tax Payments

All Pennsylvania Locations
\$ 15,350
identified above.

← Total tax remitted in the form of a payment for consolidated tax type

NIZ Location
\$ 6,454
within the NIZ.

← Total tax type identified above attributable to the location

Tax Refunds

All Pennsylvania Locations
\$ 0

Refunds granted for consolidated tax type identified above.

NIZ Location
\$ 0
location within the NIZ.

Refunds granted for tax type identified above attributable to the

Tax Payment Apportionment Factor

Please provide the percentage of tax type identified above attributable to the location within the NIZ zone:
42.05 %.

**Malt Beverage Tax
2015
Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015**



Example Company, Inc. owns two breweries in Pennsylvania; one is located in the NIZ. In 2015 the company filed Form REV-1052 (PA Manufacturer & Bonded Importer Monthly Report of Taxable Malt Beverage Sold to Distributors and/or Customers for Resale in PA) on a monthly basis and paid a total of \$3,100 in tax for the year.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	Tax Paid	3,100	
	NIZ Portion	1,303	
Tax Type: <u>Malt Beverage Tax</u>			
<u>Tax Payments</u>			
All Pennsylvania Locations			
\$	<u>3,100</u>	Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.	
NIZ Location			
\$	<u>1,303</u>	Total tax type identified above attributable to the location within the NIZ.	
<u>Tax Refunds</u>			
All Pennsylvania Locations			
\$	<u>0</u>	Refunds granted for consolidated tax type identified above.	
NIZ Location			
\$	<u>0</u>	Refunds granted for tax type identified above attributable to the location within the NIZ.	

**Liquor Tax
2015
Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015**

**Example
LIQR**

Example Company, Inc. owns two restaurants in Pennsylvania; one is located in the NIZ. In 2015 the company purchased \$50,000 in liquor from the PA Liquor Control Board for resale in their restaurants. The restaurants paid a total of \$9,000 in liquor tax on the purchases.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

Tax Paid	9,000	
NIZ Portion	3,784	

Tax Type: Liquor Tax

Tax Payments

All Pennsylvania Locations

\$ 9,000 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

NIZ Location

\$ 3,784 Total tax type identified above attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0 Refunds granted for consolidated tax type identified above.

NIZ Location

\$ 0 Refunds granted for tax type identified above attributable to the location within the NIZ.

**Public Utility Realty Tax
2015
Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015**

Example
PUR

Example Company, Inc. owns several utility services companies in Pennsylvania that are regulated by the PA Public Utility Commission. One is located within the NIZ. In 2015 the company paid estimated taxes, using form REV-423 (Specialty Taxes Estimated Payment Coupon), in the amount of \$100,000.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	Tax Paid	100,000	
	NIZ Portion	42,048	
Tax Type:	<u>Public Utility Realty Tax</u>		
	<u>Tax Payments</u>		
All Pennsylvania Locations			
\$ <u>100,000</u>	Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.		
NIZ Location			
\$ <u>42,048</u>	Total tax type identified above attributable to the location within the NIZ.		

Tax Refunds

All Pennsylvania Locations
\$ 0 Refunds granted for consolidated tax type identified above.

NIZ Location
\$ 0 Refunds granted for tax type identified above attributable to the location within the NIZ.

**Title Insurance Company Shares Tax
2015**

**Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015**

Example
TICO

Example Company, Inc. owns two Pennsylvania title insurance companies; one is located in the NIZ. The company paid \$20,000 in title insurance company shares tax in 2015.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the Supplemental Apportionment Worksheet (PAP1) must be completed to calculate the amount reporting in Line B and D (NIZ Location).

Tax Paid	20,000	
Times Tax Percentage (page PAP1)	0.420477	
NIZ Portion	8,410	

Tax Type: Title Insurance Company Share Tax

Tax Payments

All Pennsylvania Locations

\$ 20,000 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

NIZ Location

\$ 8,410 Total tax type identified above attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0 Refunds granted for consolidated tax type identified above.

NIZ Location

\$ 0 Refunds granted for tax type identified above attributable to the location within the NIZ.

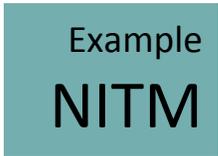
Tax Payment Apportionment Factor

Please provide the percentage of tax type identified above attributable to the location within the NIZ zone:

42.05 %

**Net Income Tax - Mutual Thrift Institutions
2015**

**Example Company, Inc.
Tax Paid from 1/1/2015 to 12/31/2015**



Example Company, Inc. owns three savings banks in Pennsylvania; one is located within the NIZ. In 2015 they paid taxes on net income using form RCT-143 (Mutual Thrift Institutions Net Income Tax Report) in the amount of \$50,000.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

NOTE: If the company is located in the NIZ but has another location, or has property, payroll or sales outside the NIZ, then the Supplemental Apportionment Worksheet (PAP1) must be completed to calculate the amount reporting in Line B and D (NIZ Location).

Tax Paid	50,000
Times Tax Percentage	<u>0.420477</u>
NIZ Portion	21,024

Tax Type:

Net Income Tax - Mutual Thrift Institutions

Tax Payments

All Pennsylvania Locations

\$ 50,000

Total tax remitted in the form of a payment received by the department for consolidated tax type identified above.

NIZ Location

\$ 21,024

Total tax type identified above attributable to the location within the NIZ.

Tax Refunds

All Pennsylvania Locations

\$ 0

Refunds granted for consolidated tax type identified above.

NIZ Location

\$ 0

Refunds granted for tax type identified above attributable to the location within the NIZ.

Tax Payment Apportionment Factor

Please provide the percentage of tax type identified above attributable to the location within the NIZ zone:

42.05 %.

CITY OF ALLENTOWN -LOCAL NIZ REPORTING

2015

**NEIGHBORHOOD IMPROVEMENT ZONE PROGRAM ANNUAL TAX REPORT
(Based on CASH BASIS payments made in 2015)**

1. Business Information

Calendar Year: 2015

Legal Name: _____

Doing Business As (DBA)/Trade Name: _____

Address within the NIZ: _____ City: _____ State: _____ ZIP Code: _____

Date business commenced operations in the NIZ: _____

(If more than one business location or project within the NIZ, please identify additional locations on a separate sheet.)

Did the business cease operations? Yes: _____ No: _____. If yes, indicated date business ceased (mm/dd/yyyy) _____

2. Business Tax Account Information

Federal Employer Identification Number: _____ PA Sales/Use Tax License Number: _____

PA Employer Withholding Account Number: _____ PA Corporate Tax Account Number: _____

Allentown Business Account Number: _____ Allentown Business License Number: _____

3. Contact Information

All questions concerning this report should be directed to the following contacts:

Name: _____ Title: _____

Telephone: _____ Email Address: _____

Name: _____ Title: _____

Telephone: _____ Email Address: _____

4. Business Information

Describe the type of business, principal product or service and parent company, if any:

How many employees are working within the NIZ? _____

5. Per Act 32, are you an employer that has elected to file a combined return? ___ (yes) ___ (no) If yes, please identify the County with whom you are filing and the identity of the local tax collector.

CITY OF ALLENTOWN - LOCAL NIZ REPORTING

2015

Employer Wage/Earned Income Tax Schedule

(Based on CASH BASIS payments made in 2015)

Employers with business locations within the NIZ must identify local wage and/or earned income taxes remitted to the local taxing authority which was withheld from compensation paid to employees at the business location(s) within the NIZ.

Businesses must identify the total amount of local taxes paid for residents of the City of Allentown and also for residents of municipalities other than the City of Allentown with respect to local wage/earned income taxes withheld from or paid directly to employees working inside the NIZ.

The total amount of local wage/earned income taxes withheld from or paid is to be listed in Column A.

The total amount of local wage/earned income taxes withheld from or paid to employees working inside the NIZ who are residents of the City of Allentown are to be listed in Column B.

The total amount of local wage/earned income taxes withheld from or paid to employees working inside the NIZ who are residents of municipalities other than the City of Allentown are to be listed in Column C (Columns A, B and C should reconciled with quarterly tax returns filed with Local Earned Income Tax Collector).

Businesses are encouraged to consult payroll providers and company accounting records to determine employer withholding paid to each local taxing authority and refunded during the calendar year.

Note: NIZ reporting for local wage/earned income taxes is based on where employee lives, not where they work.

Tax Report	COLUMN A Total Payments made in 2015: Location(s) within NIZ	COLUMN B Total Payments made in 2015: Allentown Residents	COLUMN C Total Payments made in 2015: Non-Allentown Residents	COLUMN D Refunds received in 2015: Location(s) within NIZ
Total				

CITY OF ALLENTOWN - LOCAL NIZ REPORTING

2015

Local Service Tax Schedule

(Based on CASH BASIS payments made in 2015)

Taxpayers must identify the Local Service Taxes remitted to the City of Allentown which were withheld from compensation paid to employees at business location(s) within the NIZ.

Note: NIZ reporting for Local Services Tax is based on where the employee works, not where they live.

Tax Report (continued)	COLUMN A Total Payments made in 2015: Local Service Taxes Allentown Consolidated	COLUMN B Total Payments made in 2015: Local Service Taxes Location(s) within NIZ	COLUMN C Refunds received in 2015: Local Service Taxes Allentown Consolidated	COLUMN D Refunds received in 2015: Local Service Taxes Location(s) within NIZ
Total				

CITY OF ALLENTOWN - LOCAL NIZ REPORTING

2015

Business Privilege Tax and Licensing Fee Schedules

(Based on CASH BASIS payments made in 2015)

Business Privilege Taxes

All businesses must identify business privilege tax payments and business license fees remitted to the City of Allentown.

Tax Report (continued)	COLUMN A Total Payments made in 2015: Business Privilege Taxes Allentown Consolidated	COLUMN B Total Payments made in 2015: Business Privilege Taxes Location(s) within NIZ	COLUMN C Refunds received in 2015: Business Privilege Taxes Allentown Consolidated	COLUMN D Refunds received in 2015: Business Privilege Taxes Location(s) within NIZ
Total				

Business License Fees

Total Allentown Business License Fees Paid in 2015: \$_____

Total Business Locations in the City of Allentown: _____

CITY OF ALLENTOWN - LOCAL NIZ REPORTING

2015

Tax Remittance Summary – 2015

Tax and Fee Remittance Summary

Add all the Column A totals from each tax schedule to arrive at the sum of local taxes remitted to local taxing authorities by qualified businesses within the NIZ, and enter the figures below:

\$ _____ Column A - Employer Wage/Earned Income Tax Schedule

\$ _____ Column A - Local Service Tax

\$ _____ Column A - Business Privilege Tax

\$ _____ Column A - Total – All Tax Types

Add all the Column B totals from each tax schedule to arrive at the sum of local taxes remitted to location(s) within the NIZ, and enter the figures below:

\$ _____ Column B - Employer Wage/Earned Income Tax Schedule

\$ _____ Column B - Local Service Tax

\$ _____ Column B - Business Privilege Tax

\$ _____ Column B - Total – All Tax Types

Add all the Column D totals from each tax schedule to arrive at the sum of local taxes refunded to location(s) within the NIZ, and enter the figure below:

\$ _____ Column D - Employer Wage/Earned Income Tax Schedule

\$ _____ Column D - Local Service Tax

\$ _____ Column D - Business Privilege Tax

\$ _____ Column D - Total – All Tax Types

Total Business Privilege License Fee (from Page 4): \$ _____

Taxpayer Affirmation

“I hereby affirm under penalties prescribed by law that this report, including any accompanying schedules, has been examined by me, and to the best of my knowledge and belief is a true, correct and complete report.”

Signature of authorized taxpayer: _____ Print/Type preparer’s name: _____

Preparer’s signature if different than the taxpayer: _____ Date of Submission: _____

If you want to allow another person to discuss this report with the Department check here _____

Designee’s name: _____ Designee’s phone number: _____

**Local Employer Wage/Earned Income Tax Schedule
2015
Example Company, Inc.
Local Earned Income Tax Paid from 1/1/2015 to 12/31/2015**

Example
A2

Example Company, Inc. has an office in the City of Allentown located in the NIZ. They have four employees; two reside in Allentown and the other two reside in Hanover Township, Northampton County. In 2015 the company paid withholding taxes to the local tax collector in January, April, July, and October that totaled \$1,435 for the year.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	Reside in Allentown	Gross Wages	Local Withholding	
Employee #1	y	42,000	420	} \$760
Employee #2	y	34,000	340	
Employee #3	n	30,000	450	} \$675
Employee #4	n	15,000	225	
		121,000	1,435	

	COLUMN A Total Payments made for 2015: Location(s) within NIZ	COLUMN B Total Payments made for 2015: Allentown Residents	COLUMN C Total Payments made in 2015: Non-Allentown Residents	COLUMN D Refunds received in 2015: Location(s) within NIZ
Total	1,435	760	675	-

Refunds are reported in Column D in the year that they were refunded.

Payments to Municipalities Other Than Allentown
Hanover Township,
Northampton County \$ 675

**Local Service Tax Schedule
2015**
Example Company, Inc.
Local Services Tax Paid from 1/1/2015 to 12/31/2015

Example
A3

Example Company, Inc. has two offices in Allentown. One is in the NIZ and one is outside the NIZ. They have four employees, two work in the NIZ office location. In 2015 the company paid Local Services Tax to the local taxing authority in January, April, July and October that totaled \$208 for the year.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

	Employed in NIZ office	Gross Wages	LST Paid
Employee #1	y	42,000	52
Employee #2	y	34,000	52
Employee #3	n	30,000	52
Employee #4	n	15,000	52
		121,000	208

Tax Report	COLUMN A Total Payments made in 2015: Local Service Taxes Allentown Consolidated	COLUMN B Total Payments made in 2015: Local Service Taxes Location(s) within NIZ	COLUMN C Refunds received in 2015: Local Service Taxes Allentown Consolidated	COLUMN D Refunds received in 2015: Local Service Taxes Location(s) within NIZ
Total	208	104	-	-

Refunds are reported in Column C & D in the year that they were refunded.

**Business Privilege Tax & Licensing Fee Schedule
2015**

Example
A4

**Example Company, Inc.
Business Privilege Tax & Licensing Fee Paid from 1/1/2015 to 12/31/2015**

Example Company, Inc. has two retail stores in Allentown. One is in the NIZ and one is outside the NIZ. They had total sales of \$600,000 for the year 2014. In 2015 the company filed their Business Privilege Tax form with the City of Allentown reporting their sales for 2014. They also paid their annual Licensing Fee of \$35.

NOTE: This report is prepared on a cash basis. Amounts are reported in the period that they are paid, not when they are incurred.

Business Privilege Taxes

	Sales	BPT Retail Tax Rate @ .15%	Total
Sales - NIZ Location	400,000	0.0015	600
Sales - Outside Location	200,000	0.0015	300
	600,000		900

Tax Report	COLUMN A	COLUMN B	COLUMN C	COLUMN D
	Total Payments made in 2015: Business Privilege Taxes Allentown Consolidated	Total Payments made in 2015: Business Privilege Taxes Location(s) within NIZ	Refunds received in 2015: Business Privilege Taxes Allentown Consolidated	Refunds received in 2015: Business Privilege Taxes Location(s) within NIZ
Total	900	600	-	-

Refunds are reported in Column C & D in the year that they were refunded.

Business Privilege Licensing Fee

Total Allentown Business License Fee Paid in 2015: \$ 35

Total Business Locations in the City of Allentown: 2

BPT Rates:
Retail = 0.15%
Service = 0.30%
Rentals = 0.30%
Wholesale = 0.10%

Allentown Neighborhood Improvement Zone

Frequently Asked Questions



1 What is the NIZ?

The NIZ is the Neighborhood Improvement Zone that was created through State Legislation as a tool to provide for whole neighborhood revitalization.

2 What are the purpose and benefits of the NIZ?

The purpose of the NIZ is to create a redevelopment mechanism for a particular area in need of revitalization. NIZ benefits include:

- Helping businesses remain competitive or increases competitiveness
- Increased property values
- Businesses will benefit from the public improvements in the zone, including cleaner, safer areas as well as more parking and access to businesses.
- Businesses will benefit from the indirect impacts of increased visits to the businesses in the zone.
- Businesses will benefit from having there be a revitalized center where residents can live, work, play and shop which will attract a diverse population of new residents that can also be a source for the areas workforce needs and increased business traffic.

3 How is the NIZ funded?

The NIZ is funded by the ANIZDA Authority issuance of bonds for revitalization efforts and bond debt is repaid using State and Local NIZ taxes that are credited to the NIZ fund for repayment.

4 Who controls the NIZ?

The NIZ is managed by the ANIZDA Authority, which is an independent authority of the Commonwealth that was created to manage the revitalization efforts in the NIZ. It's comprised of a Board of Directors who makes all governance decisions.

5 How long will the NIZ last? Is there a time limit on the NIZ or will my business always be in the NIZ?

The NIZ legislation allows for the zone to be in existence for up to 30 years, or when the purpose of its creation is fulfilled or the bonds retired.

6 Why does Allentown need a NIZ?

Allentown needs a NIZ to provide for comprehensive and strategic revitalization of the downtown and waterfront areas with sufficient financial means to execute the revitalization.

7 How do I find out if my business is in the NIZ?

Contact the City of Allentown at 610-437-7603 and they can tell you if you are in the NIZ. Or, you can locate your business on the official NIZ map located at the following link:

http://www.allentownpa.gov/Portals/0/files/CommunityDevelopment/NeighborhoodImprovementZone_rotated-web-2.pdf

Allentown Neighborhood Improvement Zone

Frequently Asked Questions



8 Will being in the NIZ affect my businesses profits?

Not in a negative way though there are likely positive benefits to your business from being in the NIZ noted in FAQ number 2 above.

9 How will being in the NIZ affect my employees?

The NIZ will not affect your employees. Any requirements your employees had prior to NIZ creation will not be affected by the NIZ.

10 My organization would like someone to speak with us about the NIZ. Is that possible?

Absolutely. Please contact the NIZ Business Liaison, Deana Zosky, at 484-951-1289 or email allentownnizcompliance@four-score.com to schedule a meeting.

11 What does it mean to be in the NIZ and what does it mean to me and my business?

Being a business in the NIZ means that your businesses will reap the benefits of the areas revitalization improvements in various forms, such as increased property values, improved public improvements, increased sales traffic as revitalization takes place, and the ability to apply to ANIZDA for funding for additional projects should your business wish to expand.

12 Isn't it cheaper and easier just to pay the penalty than to file the NIZ tax report?

It's not cheaper to pay the penalty than it is to file the NIZ tax report. The fine is 10% of all state taxes payable by the business for activities in the NIZ during the previous calendar year versus a minimal amount of staff time or external help to complete the forms. It may be easier to pay the penalty than to file, but we are working hard to provide your team with whatever assistance they need to report so that it is as easy to report as to not report.

13 Where can I download the PA Department of Revenue State NIZ Report?

The NIZ Report electronic filing and instructions can be found at: www.revenue.pa.gov/NIZ

Allentown Neighborhood Improvement Zone

Frequently Asked Questions



14 What do I have to report, by when, and why?

Business owners within the NIZ will not incur any additional taxes as a result of the NIZ. However, under the NIZ law, you are required to report the taxes your business already pays and reports to state and local agencies. **Please begin completing your NIZ reporting forms well in advance of the deadline, January 30, 2016.**

1 Form Name	See Example
Supplemental Apportionment Worksheet, if applicable	PAP ₁
Corporate Net Income Tax	CNI
Capital Stock/Foreign Franchise Tax	CST
Bank Shares Tax	BNK
Sales, Use & Hotel Occupancy Tax	SU & HO
Employer Withholding Tax	EWI
Gross Receipts Tax - Electric Company	
Gross Receipts Tax - Telecommunications Company	
Gross Receipts Tax - Transportation Company	
Gross Receipts Tax - Private Bankers	
Gross Receipts Tax - Managed Care Organization	
Unemployment Compensation	UC
Realty Transfer Tax	RLTY
Cigarette Tax	
Vehicle Rental Tax/Public Transportation Assistance	VRNT
Vehicle Lease Tax/Public Transportation Assistance	VLES
Gross Premiums Tax	GROP
Personal Income Tax - Passthrough	PIT
Malt Beverage Tax	MALT
Liquor Tax	LIQR

Form Name	See Example
Contractor Sales & Use Tax	C-SU
Public Utility Realty Tax	PUR
Title Insurance Company Shares Tax	TICO
Net Income Tax - Mutual Thrift Institutions	NITM

Any new tax enacted by the Commonwealth subsequent to creation of NIZ on 6/28/11.	
Any tax imposed by the Commonwealth or local municipality, except real estate taxes, for activity within the neighborhood improvement zone or directly or indirectly on any sale or purchase of goods or services where the point of sale or purchase is within the neighborhood improvement zone.	

1 Form Name	See Example
NIZ Program Annual Tax Report	A1
Local Employer Wage/Earned Income Tax Schedule	A2
Local Service Tax Schedule	A3
Business Privilege Tax & Licensing Fee Schedule	A4
NIZ Tax Remittance Summary	A5

State Taxes (PA Department of Revenue)

Local Taxes (City of Allentown)

Allentown Neighborhood Improvement Zone

Frequently Asked Questions



15 How does my procedure for paying each of the taxes change?

It doesn't. In addition to your normal process, you must complete the State and Local NIZ tax reporting forms.

16 Is there online information about the procedures to follow?

State website to access online filing and instructions:

www.revenue.pa.gov/NIZ

City of Allentown website to access forms and instructions:

www.allentownpa.gov/Neighborhood-Improvement-Zone

17 Do the rates for any of my taxes changes as a result of the NIZ?

No. There are no additional taxes as a result of NIZ creation. There is simply an additional reporting requirement where businesses must file State and Local NIZ forms to be received on or before January 30, 2016 for the calendar year ending December 31, 2015 (January 1, 2015 through December 31, 2015).

Tax rates won't change, nor are any new taxes implemented as a result of the NIZ. But if the project is successful, businesses most likely will pay more taxes on higher sales, income, etc.

18 Will this mean I need to do more accounting?

No. Your business will just need to use your existing information to report on the State and Local NIZ tax reporting forms.

19 If my organization is a non-profit, do I have to report?

Yes. Non-profit organizations are required to report. Only government instrumentalities are exempt from reporting. All other entities are required to report.

20 If I am a business working on a NIZ project, do I have to report?

Yes. All Contractors (including professional service firms) working on a NIZ project regardless of where they are working on the project, must report all state and local cash basis tax payments (less cash basis refund received) for those projects for taxes listed on the State NIZ Zone Program Annual Tax Report and on the City of Allentown NIZ Program Local Tax Report.

21 If I am a PPL Center arena business or a business involved in arena activity or event, or have participated as a supporting business in the arena, do I have to report?

Yes. Any entity doing business related to the arena (regardless of length of engagement) must report the cash basis tax payments related to that activity. See page 9 for requirements.