**Philly Workers Who Stayed Home May Be Due a Wage Tax Refund**

Has your home turned into an office during the last year? With the pandemic forcing many people to work from home, thousands in our area are no longer commuting to work. For those who in the past commuted to Philadelphia, there is yet another benefit to working from home beyond saving time, gas, and tolls: a tax refund.

Anyone who works in Philadelphia and lives elsewhere is subject to pay the non-resident Philadelphia Wage Tax, which stands at a hefty 3.5019% of gross wages. Nearly all municipalities in the Philadelphia area levy an Earned Income Tax (EIT), with most topping out at 1%. Residents living in the suburbs are subject to this lower rate EIT where they live- unless they work in Philadelphia. However, with many required to work from their homes during the last year, they may no longer be subject to the Philadelphia Wage Tax while telecommuting.

Is it worth the effort to pursue a refund? The simple answer is yes! Someone working from home in the suburbs during the pandemic making $60,000 per year would be subject to their home municipality’s EIT, which is typically 1%. In the span of one year, this would equal a savings of about $1,500! Plus, the 1% you contribute to your local EIT will be invested into public safety and infrastructure improvements into the community you and your family lives.

How do you take advantage of this? For any amount of time a Philadelphia job was completed at a home outside of the city limits, they may [request a Wage Tax refund from the City of Philadelphia](https://www.phila.gov/services/payments-assistance-taxes/refunds/wage-tax-refunds/). When submitting a tax return to Keystone Collections, the tax officer for all EIT in Bucks County, use the Out-Of-State Tax Credit Worksheet on Line 12 of the [tax return form](https://keystonecollects.com/download/EITR.pdf) if you need to receive a tax credit for the time you did not work in Philadelphia.

For anyone who continues working from their home outside of the City of Philadelphia, they should submit a [Residency Certification Form](https://www.hab-inc.com/wp-content/uploads/Residency-Certification-Form-DCED-CLGS-32-6-8-11.pdf) to their employer and request that their local EIT be deducted from their wages instead of the City Wage tax. A political subdivision (PSD) code will be needed for the form, [which can be found using this tool](https://munstats.pa.gov/Reports/ReportInformation2.aspx?report=EitWithCollector_Dyn_Excel&type=R).