

## **COVID-19 – Working from Home – Local Services Tax and Payroll Tax Policy**

If the employer offers the employee space at an office location in the City of Pittsburgh, that location should be where the employer will withhold the Local Services Tax and pay the employer Payroll Tax, even if the employee elects to work from home outside the City. This office location should be the same location as the “Employment Location” noted on the “Residency Certification Form” (Form GLGS-32-6), which is used for Local Earned Income Tax Withholding. <https://dced.pa.gov/download/residency-certification-form-local-earned-income-tax-withholding-pdf/?wpdmdl=57773>

If the employee works at multiple locations during the month, including from an office in the City, the employer should follow the guidance set forth in the current regulations concerning tax remittance associated with Local Services Tax and the Payroll Tax.

If the employer requires the employee to work from home outside the City, either because of business considerations or because of health concerns surrounding the COVID-19 virus, the employer must provide the employee a signed letter (on Company letterhead) stating the employee is required to work from home and obtain an updated “Residency Certification Form” (Form GLGS-32-6) from the employee showing the home address as the new “Employment Location.” With these two documents, the employer will be able to collect the Local Services Tax and remit the Payroll Tax based on this updated location information.

If the employer were audited by the City for Local Services Tax or Payroll Tax, the City may request that the employer provide documentation that the home office location is used by the employer is also used in other government filings such as: proof that the employer has “qualified to do business” in another state because the employee has a home office in that location, proof of wage withholding based on the home office location, or proof that the employer is remitting Local Services Tax or local municipal tax (e.g. Business Privilege Tax) at that home office location.

If the taxpayer believes that the Local Services Tax or the Payroll Tax has been collected by the City in error, the taxpayer may seek a refund after the close of the year. In the refund action, the taxpayer must attach the necessary copies of the Employer Letter(s) and the “Residency Certification Form(s)” to the refund claim. A summary of the Local Taxpayer’s Bill of Rights concerning audits and appeals can be downloaded here: [https://apps.pittsburghpa.gov/redtail/images/6492\\_2636\\_10\\_taxpayers\\_bill\\_of\\_rights\\_4-26-2018.pdf](https://apps.pittsburghpa.gov/redtail/images/6492_2636_10_taxpayers_bill_of_rights_4-26-2018.pdf)