



**pennsylvania**

DEPARTMENT OF REVENUE

OFFICE OF ECONOMIC DEVELOPMENT  
1133 STRAWBERRY SQUARE  
HARRISBURG PA 17128-1100

**NEIGHBORHOOD IMPROVEMENT  
ZONE PROGRAM (NIZ)  
ANNUAL TAX REPORT**

RECEIVED DATE

**PART I: IDENTIFICATION OF QUALIFIED BUSINESS**

1. CALENDAR YEAR REPORT DETAILS	2. NIZ CITY
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3. ENTITY LEGAL NAME	4. FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)	
5. DATE OF FIRST OPERATIONS IN NIZ	6. DATE OF FIRST OPERATIONS IN PA	7. TELEPHONE NUMBER
8. TRADE NAME (if different than legal name)		

9. STREET ADDRESS WITHIN NIZ (Do not use PO Box)	CITY/TOWN	STATE	ZIP CODE + 4
10. JOB SITE WITHIN NIZ	CITY/TOWN	STATE	ZIP CODE + 4
11. MAILING ADDRESS (if different than street address)	CITY/TOWN	STATE	ZIP CODE + 4

12. NUMBER OF LOCATIONS WITHIN PENNSYLVANIA	13. PA SALES & USE TAX LICENSE NUMBER	14. PA EMPLOYER WITHHOLDING ACCOUNT NUMBER
15. PA CORPORATE TAX ACCOUNT NUMBER	16. REVENUE ID	17. MALT BEVERAGE ACCOUNT ID

18. ALL QUESTIONS CONCERNING THIS REPORT SHOULD BE DIRECTED TO		
NAME	TELEPHONE	EMAIL



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**PART II: APPORTIONMENT WORKSHEET FOR CORPORATIONS**

*Businesses that remit corporate net income tax, capital stock/foreign franchise tax or bank shares tax must calculate and apportion the amount attributable to the location within the zone using this worksheet.*

ENTITY LEGAL NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)
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**A. PROPERTY FACTOR**

Within NIZ = \_\_\_\_\_ = 0. \_\_\_\_\_  
 Within PA

**B. PAYROLL FACTOR**

Within NIZ = \_\_\_\_\_ = 0. \_\_\_\_\_  
 Within PA

**C. SALES FACTOR**

Within NIZ = \_\_\_\_\_ = 0. \_\_\_\_\_  
 Within PA

**D. TOTAL APPORTIONMENT** (Sum of three factors above): \_\_\_\_\_

**E. TAX PERCENTAGE** (divide Total Apportionment by 3): 0. \_\_\_\_\_

**F. NIZ TAX LIABILITY:** \_\_\_\_\_

	Corporate Net Income Tax	Capital Stock/Foreign Franchise Tax	Bank Shares Tax
<b>Tax Payments Made</b>			
<b>Tax Percentage</b>	0. _____	0. _____	0. _____
<b>NIZ Tax Liability</b>			

"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	DATE
PREPARER'S SIGNATURE (if different than the taxpayer)	DATE



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**PART III: STATE TAX REMITTANCE STATEMENT**

ENTITY LEGAL NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)
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<b>TAX TYPE</b>	<b>Column A State taxes paid by the business for all Pennsylvania locations in the calendar year for which the NIZ report is filed.</b>	<b>Column B State taxes paid and attributable to the location within the NIZ in the calendar year for which the NIZ report is filed.</b>
Corporate Net Income Tax		
Capital Stock/Foreign Franchise Tax		
Bank Shares Tax		
Sales, Use & Hotel Occupancy Tax		
Employer Withholding		
Gross Receipts Tax		
Unemployment Compensation		
Realty Transfer Tax		
Cigarette Tax		
Vehicle Rental Tax/Public Transportation Assistance		
Gross Premiums Tax		
Pennsylvania personal income tax paid on business income for activity within NIZ but not withheld by the business for sole proprietor, shareholder in PA S corporation, partner in a partnership, or member of an LLC.*		
Liquor or malt beverage tax charged on the sale of liquor, wine or malt or brewed beverages in the zone.		
Sales/use tax paid by a construction contractor on the purchase of materials used in construction in the NIZ (NOTE: Contractors are required to submit to the department's Economic Development Office a copy of each construction contract under which tax payments are claimed within this report.)		
Sales/use tax paid on the purchase of tangible personal property or services used exclusively by the business for activity in the zone. (NOTE: The department may request evidence supporting such.)		
Total taxes remitted to the commonwealth attributable to the NIZ location:		

\* Below, provide a Social Security number for each sole proprietor, shareholder in PA S corporation, partner in a partnership or member of an LLC.

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**PART IV: STATE TAX REFUND STATEMENT**

ENTITY LEGAL NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)
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<b>TAX TYPE</b>	<b>Column A Refunds granted to the business for all Pennsylvania locations in the calendar year for which the NIZ report is filed.</b>	<b>Column B Refunds granted to the business and attributable to the location(s) within the NIZ in the calendar year for which the NIZ report is filed.</b>
Corporate Net Income Tax		
Capital Stock/Foreign Franchise Tax		
Bank Shares Tax		
Sales & Use Tax		
Employer Withholding		
Gross Receipts Tax		
Unemployment Compensation		
Realty Transfer Tax		
Cigarette Tax		
Vehicle Rental Tax/Public Transportation Assistance		
Gross Premiums Tax		
Pennsylvania personal income tax paid on business income for activity within NIZ but not withheld by the business for sole proprietor, shareholder in PA S corporation, partner in a partnership, or member of an LLC.		
Liquor or malt beverage tax charged on the sale of liquor, wine or malt or brewed beverages in the zone.		
Sales/use tax paid by a construction contractor on the purchase of materials used in construction in the NIZ.		
Sales/use tax paid on the purchase of tangible personal property or services used exclusively by the business for activity in the zone.		
Total refunds attributable to the NIZ location:		



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**PART V: MALT OR BREWED BEVERAGE TAX STATEMENT**

ENTITY LEGAL NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)
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*NOTE: These calculations only apply if malt beverages are purchased by a restaurant or bar from a Pennsylvania beer distributor outside of the zone.*

**Malt or Brewed Beverage Excise Tax Formula for calculation:** tax rate (see below) multiplied by volume purchased for resale in the zone per volume amount.

**Malt or Brewed Beverage Sales Tax Formula for calculation:** total cost of malt or brewed beverage purchased for resale in the zone multiplied by 0.06.

NOTE: If business records only contain the cost of total purchases with tax included in the total figure, this formula must be used: total cost of malt or brewed beverage purchased for resale in the zone divided by 1.06) multiplied by 0.06.

Volume Amount	Excise Tax Rate	Volume purchased for resale in the zone	Tax Paid
1 barrel	\$2.48		
1/2 barrel	\$1.24		
50 liter	\$1.06		
12 gallon	\$0.96		
1/4 barrel	\$0.62		
1/6 barrel	\$0.42		
1/8 barrel	\$0.32		
160 ounce	\$0.10		
4 liter	\$0.09		
1 gallon	\$0.08		
2 liter	\$0.05		
40 ounce	\$0.03		
1 quart	\$0.02		
25 ounce	\$0.02		
1 pint	\$0.01		
1/2 pint	\$0.0066		
<b>TOTAL TAX PAID:</b>			

<b>Total cost of malt or brewed beverages purchased for resale in the zone.</b>	<b>Sales tax paid for malt or brewed beverages purchased for resale in the zone.</b>



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**PART VI: LIQUOR/WINE TAX STATEMENT**

ENTITY LEGAL NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)
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*NOTE: These calculations only apply if liquor is purchased by a restaurant or bar from a Pennsylvania wine and spirits store outside of the zone.*

While 6 percent sales tax is reflected on wine and liquor purchases as a separate line item on each receipt, the 18 percent state liquor tax is built into the shelf price of wine and spirits and is not broken out separately. Therefore, a formula must be applied to liquor purchases in order to determine liquor tax attributable to the NIZ.

**Liquor/Wine Excise Tax Formula:** total cost of liquor/wine purchased outside the NIZ (including sales tax) multiplied by 0.1439.

To determine total sales tax on all wine/liquor purchases made outside the NIZ, a business in the NIZ may either add all the sales tax line-items from each liquor/wine receipt or employ the following **Liquor/Wine Sales Tax Formula:** total cost of liquor/wine purchased outside the NIZ multiplied by 0.0566.

*NOTE: The multipliers above do not match the 18 percent liquor tax and 6 percent sales tax rates exactly, because mathematical adjustments are required to ensure each tax – the former built into the shelf price, the latter added at the register – is accounted for separately and accurately based on total purchase price.*

Total cost of liquor and/or wine purchased for resale in the zone	Liquor/Wine Excise Tax Formula	Liquor/Wine Sales Tax	Total tax attributable to liquor and/or wine purchased for resale in the zone

"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	DATE
PREPARER'S SIGNATURE (if different than the taxpayer)	DATE



## GENERAL INSTRUCTIONS

The City of Allentown has designated your business location as within the Neighborhood Improvement Zone (NIZ) established by Act 50 of 2009, Act 26 of 2011 and Act 87 of 2012. State and local taxes collected from the NIZ will be used to repay bonds issued by the Allentown Neighborhood Improvement Zone Development Authority to fund various economic development projects within the zone, including an arena.

Pennsylvania law requires all businesses within the NIZ to complete this report annually by Jan. 30, identifying the type and amount of all taxes remitted to the commonwealth during the previous calendar year, so the Department of Revenue may certify state taxes to be transferred to the NIZ Fund established for the redevelopment projects.

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**Failure to file a complete report on a timely basis will result in the imposition of a penalty of 10 percent of all state taxes payable by the business for activities in the NIZ during the previous calendar year.**

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The following businesses within the NIZ must complete this report:

- NIZ Qualified Business: Any sole proprietorship, corporation, limited liability company, partnership or association that conducts business, provides services and has physical presence within the borders of the NIZ.
- Professional Sports Organization: Any sole proprietorship, corporation, limited liability company, partnership or association that owns a professional sports franchise and conducts professional athletic events at the sports arena facility or facility complex within the NIZ zone.
- Vendors and Concessionaires: Any such entities at the sports arena facility or facility complex within the NIZ zone.
- Any construction contractor with a construction contract in the NIZ who paid sales tax on the purchase price of property, including materials, equipment, components, and supplies, which it purchased and installed in the performance of its construction contract within the NIZ zone.
- Any construction contractor with a construction contract in the NIZ who paid personal income tax withheld from employees providing labor for services within its construction contract within the NIZ zone.

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- All businesses must complete all sections within the report. If a section is not applicable, please write "N/A".
  - A business whose only location is within the NIZ must fill in Columns A and B in Parts III and IV even if identical amounts are reported.

- Businesses that remit corporate net income tax, capital stock/foreign franchise tax or bank shares tax must calculate and apportion the amount attributable to the location within the zone using the Apportionment Worksheet for Corporations in Part II.
- Contactors are required to provide a copy of each construction contract under which sales or use tax payments are claimed within this report, along with copies of original invoices or copies of all applicable sales or use tax accrual records and proof of payment of tax for all transactions. Should more than one invoice be paid by a single check, please provide a copy of the applicable check voucher highlighting the subject invoices in addition to the cancelled check.
- Any business with more than one location within the NIZ must submit separate reports for each location within the NIZ.

## Part I: IDENTIFICATION OF QUALIFIED BUSINESS

1. CALENDAR YEAR: Enter the calendar year for which the NIZ report is filed.
2. NIZ CITY: Enter the name of city in which the business and NIZ are located.
3. ENTITY LEGAL NAME:

If the business structure is:	Use the:
Sole Proprietorship	Individual owner's name
Corporation	Name as shown in the articles of incorporation
Partnership	Name as shown in the partnership agreement
Association	Name as shown in the association agreement
Business Trust	Name as shown in the trust agreement
Estate	Legal name of the estate
Limited Liability Company	Name as shown in the articles of organization

4. FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): Enter the EIN assigned to the business by the Internal Revenue Service. If the business does not have an EIN, enter the owner's Social Security number.
5. DATE OF FIRST OPERATIONS IN NIZ: Enter the first date the entity conducted an active trade or business in the NIZ. This does not include start-up operations prior to opening for business.
6. DATE OF FIRST OPERATIONS IN PA: Enter the first date the entity conducted any activity in PA or employed PA residents. This includes start-up operations prior to opening for business.
7. TELEPHONE NUMBER: Enter the telephone number for the entity.
8. TRADE NAME: Enter the name by which the entity is commonly known (doing business as, trading as, also known as), if it is a name other than the legal name. If the enterprise has a fictitious name registered with the PA Department of State, enter it here. If the trade name is the same as the legal name, enter "Same".
9. STREET ADDRESS WITHIN NIZ: Enter the physical location of the entity. A post office box is not acceptable.

10. **JOB SITE WITHIN NIZ:** Enter the physical location of the construction contract for entities filing the reports as construction contractors.
11. **MAILING ADDRESS:** Enter the address where the entity prefers to receive mail, if at an address other than the entity street address. A post office box is acceptable.
12. **NUMBER OF LOCATIONS WITHIN PENNSYLVANIA:** If the entity has more than one location in which business is conducted within the commonwealth, enter the number of locations here.
13. **PA SALES AND USE TAX LICENSE NUMBER:** Eight-digit license number assigned by the Department of Revenue permitting businesses to collect sales tax on taxable sales made within PA and facilitating the reporting of use tax on property and services used within PA where no sales tax was paid to a vendor.
14. **PA EMPLOYER WITHHOLDING ACCOUNT NUMBER:** Eight-digit number assigned by the Department of Revenue enabling businesses to withhold PA personal income tax.
15. **PA CORPORATE TAX ACCOUNT NUMBER:** Seven-digit number assigned by the Department of Revenue enabling businesses to remit corporation taxes.
16. **REVENUE ID:** Ten-digit number assigned by the Department of Revenue, separate from any federally issued identification numbers or Pennsylvania license numbers.
17. **MALT BEVERAGE ACCOUNT ID:** Four-digit number assigned by the Department of Revenue enabling Pennsylvania manufacturers and bonded importers to report taxable malt beverages.
18. **CONTACT INFORMATION:** Enter the name, telephone number and email address of the person the Department of Revenue may contact regarding questions about the report.

## **Part II: APPORTIONMENT WORKSHEET FOR CORPORATIONS**

Businesses that remit corporate net income tax, capital stock/foreign franchise tax or bank shares tax must calculate and apportion the amount attributable to the location within the zone using this worksheet. Businesses that do not remit taxes listed within the worksheet must record "N/A" within all required fields to continue to Part III of the report.

### **SECTION A: Property Factor**

*Within the NIZ* – The average value of the taxpayer’s real and tangible personal property owned and used in the NIZ plus eight times the rental rate for real and tangible personal property rented and used in the NIZ.

*Within PA* – The average value of the taxpayer’s real and tangible personal property owned and used in PA plus eight times the rental rate for real and tangible personal property rented and used in PA. If the taxpayer uses three-factor apportionment in calculating its capital stock/foreign franchise tax or corporate net income tax, this amount will be the property reported inside PA on Table 1 of the Tables Supporting Determination of Apportionment Percentage, form RCT-106.

**SECTION B: Payroll Factor**

*Within the NIZ* – Total compensation paid in the NIZ. Compensation is considered paid in the NIZ under all of the following scenarios:

1. The person's service is performed entirely within the NIZ ;
2. The person's service is performed within and outside the NIZ , but the service performed outside the NIZ is incidental to the service performed within the NIZ ; and
3. Some of the service is performed in the NIZ, and the base of operations is in the NIZ.
  - If there is no base of operations, compensation is paid in the NIZ if the place from which the service is directed or controlled is in the NIZ.
  - If the place from which the service is directed or controlled is not in a location in which the employee's work is performed, compensation is paid in the NIZ if the employee's residence is within the NIZ.

*Within PA* – All compensation paid in PA. If the taxpayer uses three-factor apportionment in calculating its capital stock/foreign franchise tax or corporate net income tax, this amount will be the payroll reported inside PA on Table 2 of the Tables Supporting Determination of Apportionment Percentage, form RCT-106.

**SECTION C: Sales Factor**

*Within the NIZ* – Total sales in the NIZ during the tax period. Sales of tangible personal property are considered in the NIZ if the property is delivered or shipped to a purchaser that takes possession within the NIZ, regardless of the FOB point or other conditions of the sale. Sales, other than sales of tangible personal property, are in the NIZ if:

1. The income-producing activity is performed in the NIZ ; or
2. The income-producing activity is performed within and outside the NIZ, and a greater proportion of the income-producing activity is performed in the NIZ than in any other location, based on costs of performance.

*Within PA* – All sales sourced to locations inside PA. This includes all sales destined to locations inside PA plus sales of goods picked-up by customers in the NIZ, either in their own vehicles or by common carriers arranged for by the customers and transported to locations outside the commonwealth. Since the sourcing of sales picked-up in the NIZ and transported outside the commonwealth is different for the calculation of the credit than the rules for sourcing these sales in the calculation of the three-factor apportionment, this may not equal the sales reported inside PA on Table 3 of the Tables Supporting Determination of Apportionment Percentage, form RCT-106.

**SECTION D: Total Apportionment:** Add the three factors from Sections A, B and C.

**SECTION E: Calculation of Tax Percentage:** Divide the Total Apportionment by three.

**SECTION F: NIZ Tax Liability**

Multiply the Total Tax Payments remitted to the department during the calendar year from Sections A, B and C by the Tax Percentage from Section D. This is the NIZ Tax Liability to be applied on a quarterly basis on the NIZ Corporation Tax Statement.

**EXAMPLE:**

<u>Property in NIZ</u>	<u>10</u>		
PA Property	100	=	0.100000
<u>Payroll in NIZ</u>	<u>20</u>		
PA Payroll	100	=	0.200000
<u>Sales in NIZ</u>	<u>5</u>		
PA Sales	100	=	0.050000
	Total	=	0.350000
<b>Tax Percentage</b>		=	<b>0.116667</b> (0.350000 / 3)

**If the Pennsylvania corporate tax payments made total \$1,000, the NIZ corporate tax liability is \$117, or 1,000 X 0.116667.**

**PART III: STATE TAX REMITTANCE STATEMENT**

- A business whose only location is within the NIZ must fill in Columns A and B even if identical amounts are reported.
- Each qualified business within the NIZ must identify:
  - Column A: State taxes paid by the business for all Pennsylvania locations in the calendar year for which the NIZ report is filed.
  - Column B: State taxes paid and attributable to the location(s) within the NIZ in the calendar year for which the NIZ report is filed.
- Businesses that do not remit specific taxes listed within this section must record "N/A" within all required fields to continue to Part IV of the report.
- Pennsylvania personal income tax paid on business income for activity within NIZ but not withheld by the business for sole proprietor, shareholder in PA S corporation, partner in a partnership, or member of an LLC must list the Social Security Numbers for taxes claimed within this tax category.
- Contactors are required to mail a copy of each construction contract under which sales or use tax payments are claimed within this report, along with copies of original invoices or copies of all applicable sales or use tax accrual records and proof of payment of tax for all transactions. Should more than one invoice be paid by a single check, please provide a copy of the applicable check voucher highlighting the subject invoices in addition to the cancelled check. The construction contract(s) and evidence of payment(s) must be postmarked by January 30 and mailed to: Department of Revenue, Office of Economic Development, 1133 Strawberry Square, Harrisburg, PA 17128-1100.

Payments are defined as state taxes paid by qualified businesses to the Department of Revenue via ACH debit, ACH credit, credit card, debit card, certified check, cashier's check and paper check in the calendar year for which the report is filed.

Payments do not include carry-over credits, restricted tax credits or tax liabilities due as a result of filing a tax return without payment.

#### **PART IV: STATE TAX REFUND STATEMENT**

- Tax refunds are payments issued by the Department of Revenue as the result of an overpayment, the submission of an amended tax return or successful petition for refund from the Board of Appeals.
- Each qualified business within the NIZ must identify:
  - Column A: Refunds granted to the business for all Pennsylvania locations in the calendar year for which the NIZ report is filed.
  - Column B: Refunds granted to the business and attributable to the location(s) within the NIZ in the calendar year for which the NIZ report is filed.

#### **PART V: MALT OR BREWED BEVERAGE TAX STATEMENT**

Restaurants or bars that purchase malt or brewed beverages from a Pennsylvania beer distributor located outside of the zone are required to complete this statement.

#### **PART VI: LIQUOR and/or WINE TAX STATEMENT**

Restaurants or bars that purchase liquor or wine from a Pennsylvania wine and spirits store located outside of the zone are required to complete this statement.

#### **REPORT SUBMISSION**

To submit the report to the Department of Revenue, the business user must acknowledge the report verification statement which serves as the certification that the information contained within the report is true, correct, and complete.

Completed reports must be postmarked by January 30 and mailed to: Department of Revenue, Office of Economic Development, 1133 Strawberry Square, Harrisburg, PA 17128-1100.

#### **CONTACT INFORMATION**

All questions concerning this report should be directed to 717-772-3896 or [ra-btftrevkoz@pa.gov](mailto:ra-btftrevkoz@pa.gov)