Lancaster City Revitalization & Improvement Zone (CRIZ)

2021 Reporting & Information Packet

For Calendar Year Reporting January 1 - December 31, 2021

Due on or before June 15, 2022

the city of Lancaster

a city authentic

What is the City Revitalization & Improvement Zone (CRIZ)?

Created by a state law in 2013, the City Revitalization & Improvement Zone (CRIZ) is a special district that encourages development and revitalization in certain sized communities across the Commonwealth. Lancaster is one of two cities to receive the first designations. The CRIZ consists of approximately 130 acres in downtown Lancaster and in selected areas in the remaining parts of the city. Under the law, certain state and local tax revenues generated by new and existing businesses within the CRIZ, as well as contractors working on CRIZ-financed projects, can be used to pay debt on bonds and loans that are issued for qualifying capital improvements in the zone. The baseline year is the year the zone was approved. Lancaster's baseline year is 2013.

The CRIZ is overseen and managed by the Lancaster City Revitalization and Improvement Zone Authority. The Authority meets each month. For more information, including meeting details, visit the CRIZ Authority website here: **http://cityoflancasterpa.com/government/criz-authority**

To see if your business is in the CRIZ, go to the Authority's link below:

https://www.cityoflancasterpa.com/investment-incentives-tax-credits-and-financing/criz/

Click on the CRIZ map and then type in the street address.

Why was the CRIZ created?

The Commonwealth created the CRIZ to spur the revitalization of communities like the City of Lancaster by capturing certain state and local taxes and channeling those taxes back to the local municipality to help finance redevelopment and new construction opportunities.

As a business and/or property owner located in the CRIZ, your business activity will contribute toward your community's growth simply by filing the required annual, confidential reports to state and local officials to ensure that eligible taxes are captured and redirected back to Lancaster. Over time, areas included in the CRIZ are expected to see further redevelopment which translates into additional jobs, reduced vacancies, more foot traffic for businesses and improved safety and cleanliness.

The CRIZ program is a long-term investment by the Commonwealth, the City, its businesses and property owners in the economic health of Lancaster.

CRIZ Benefits to Lancaster:

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

CRIZ Benefits to Your Business:

- Opportunity to finance small scale projects to improve or expand your business if it is located within the CRIZ
- Increased investor confidence in the city
- Expected property value increase if you own property in the city
- Improved safety & streetscapes
- Increased foot traffic with:
  - More visitors and tourists visiting the city
  - New or expanded hotels, restaurants, retail
  - More people working in the CRIZ that could patronize your business

CRIZ Reporting - what do I have to do?

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

WHAT

Reporting is on a CASH BASIS…meaning, you report what your business has **actually paid** from January 1, 2021 through December 31, 2021, regardless of what tax year it's for. You must complete and file all forms for 2021 to be received by the Pennsylvania Department of Revenue (DOR) and the City of Lancaster (COL) on or before **June 15,** 2022. Please begin reporting efforts well before the deadline noted above and maintain evidence of timely filing. Assistance is available—see page 9.

Below is a list of CRIZ tax reports that need to be filed. Please see the next page for a complete table of applicable state and local taxes.

Pennsylvania State (Department of Revenue) Form - **STATE:**

1. CRIZ Zone Program Tax Report - MUST BE FILED ELECTRONICALLY

Electronic filing and instructions will be available from April 1 to June 15, 2022 at:
https://www.etides.state.pa.us/NIZCRIZ/Esignature/Account/LogOn?ReturnUrl=%2fNIZCRIZ%2fDefault.aspx

When you are ready to file the CRIZ report online, you must sign in using your e-TIDES account number. If you don't have one, please obtain one by following "New Users" registration. **Once you have filed and before signing off, print the state filing for your records (includes a five-digit confirmation number).**

Read the CRIZ legislation here: http://bit.ly/1np31F1 (and scroll down to Article XVIII-C.)

Visit the Department of Community & Economic Development's CRIZ website here:
https://dced.pa.gov/programs/city-revitalization-improvement-zone-criz/

City of Lancaster Form - **LOCAL:**

1. CRIZ Program Local Tax Report - City of Lancaster - MUST BE MAILED, E-MAILED OR HAND-DELIVERED

Please visit the City of Lancaster's website at:
https://www.cityoflancasterpa.com/investment-incentives-tax-credits-and-financing/criz/

Complete and send by mail or e-mail completed form to: City of Lancaster
Attn: CRIZ Reports
P.O. Box 1599
Lancaster, PA 17608-1599
or CrizReports@cityoflancasterpa.com

CRIZ Attributable Tax Summary - Lancaster

Applicable state and local taxes are noted below.

From this list of taxes, determine which of these taxes your business paid on a cash basis in 2021 and report those payments on the forms.

1 STATE

Pennsylvania State (Department of Revenue) Taxes:

		See Example
1	Supplemental Apportionment Worksheet (if applicable)	APP
2	Corporate Net Income Tax *	CNI
3	Bank Shares Tax *	BNK
4	Sales & Use Tax - E-TIDES/Hotel Occupancy Tax	SU & HO
5	Employer Withholding Tax - includes CRIZ Projects	EWH & EWH-CRIZ Project
6	Liquor or Malt Beverage Tax Charged by Brewer/Distiller	MALT
7	Sales & Use Tax Paid by Contractor for Materials for Projects in the Zone	C-SU
8	Sales & Use Tax on Tangible Personal Property/Services Used for Business in the Zone	TPP
9	PIT Passthrough Tax - Excludes Passive Income - includes CRIZ Projects	PIT
10	Total Tax Attributable to Malt or Brewed Beverage Purchased for Resale in the Zone (Excise & Sales Tax)	MALT EX+SLS
11	Total Tax Attributable to Liquor/Wine Purchased for Resale in the Zone (Excise & Sales Tax)	LIQR

*** Subject to Apportionment. All other taxes use the Allocation method.**

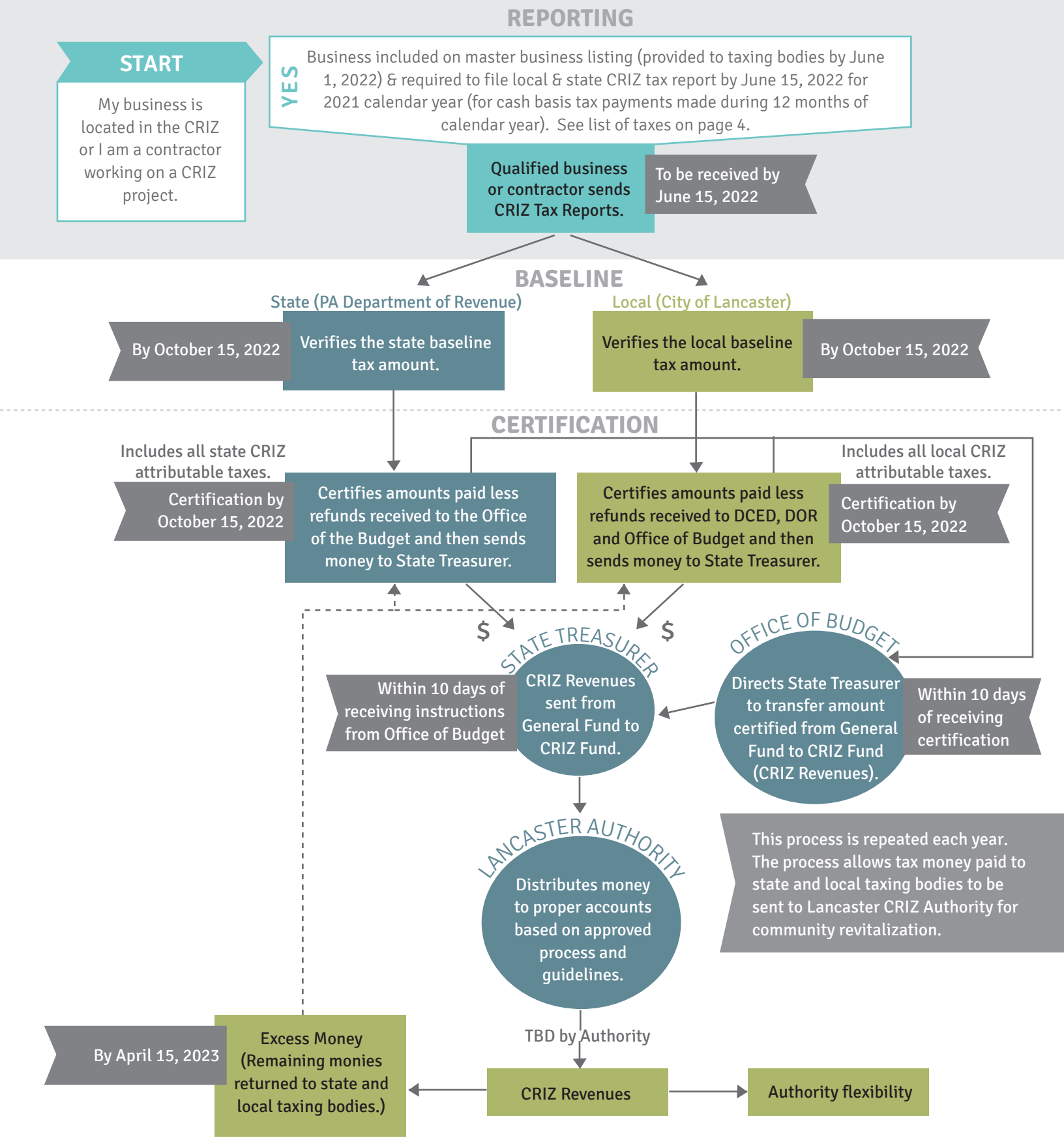
1 LOCAL

City of Lancaster Taxes:

		See Example
1	Local Employer Wage	EIT/PIT & EIT/PIT-CRIZ Project
2	Earned Income Tax (PIT - Excludes Passive Income)	EIT/PIT & EIT/PIT-CRIZ Project
3	Local Service Tax	LST & LST-CRIZ Project

How does the CRIZ reporting process work?

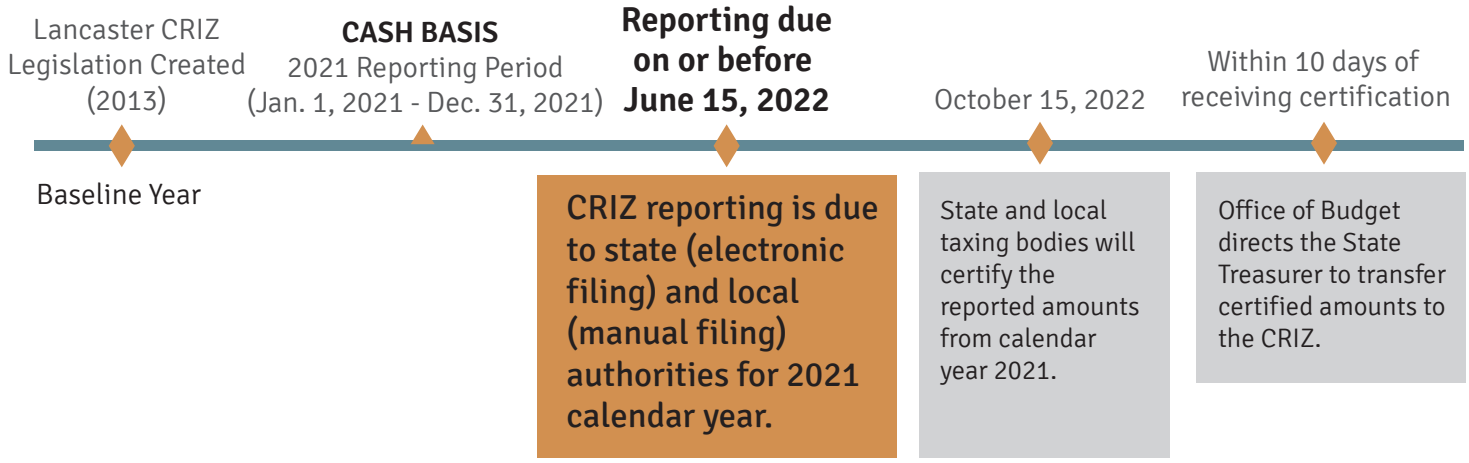
BASELINE YEAR: 2013



CRIZ Reporting - when is it due and why?

WHEN

Must be received on or before June 15, 2022 for the calendar year ended December 31, 2021 (January 1, 2021 through December 31, 2021). **Filings will not be accepted by the Department of Revenue after June 15, 2022 (their system is shut off after 11:59 p.m. on June 15, 2022). Those who do not file by then will be assessed a penalty on all state taxes, and the Lancaster community will not be allowed to utilize the revenues for revitalization, so please don't delay.** **Please keep copies of your STATE and LOCAL reports filed.**



WHY

So that the state and local taxing bodies can certify the amount of tax revenue that was paid which the Lancaster CRIZ Authority can use to fund the CRIZ area development projects.

What if I have questions and need help?

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

- Make an appointment to come visit our team. We can help you file the forms for FREE.
- Contact Deana Zosky, the Lancaster Authority's CRIZ compliance contact by email at deana@four-score.com for questions about reporting. FourScore is a consultant engaged by the Authority to assist business with their reporting requirements.
- Contact our tax hotline at 484-951-1289 or lancastercrizcompliance@four-score.com where a tax specialist can answer your questions. Please leave a message if you don't reach us directly and a specialist will respond within 24 hours with help.

Please contact us so we can help you easily complete the CRIZ reporting. Thanks for being a part of Lancaster's revitalization!

Supplemental Apportionment Worksheet for Corporations
2021
Example Company, Inc.

Example
APP

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

NOTE: If the company is located in the CRIZ but has another location, or has property, payroll or sales outside the CRIZ, then the above Supplemental Apportionment Worksheet must be completed to calculate the amount reporting in Column B (CRIZ 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
2021
Example Company, Inc.
Corporate Net Income Taxes Paid from 1/1/2021 to 12/31/2021

Example
CNI

Example Company, Inc. has several locations within Pennsylvania; two are in the CRIZ. In March 2021 they paid $5,000 of Corporate Net Income Tax with their 2020 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 CRIZ but has another location, or has property, payroll or sales outside the CRIZ, then the Supplemental Apportionment Worksheet (APP) must be completed to calculate the amount reporting in Column B (CRIZ Location).

Paid with tax return	$	5,000.00
Quarterly estimated payments	$	60,000.00
Total Corporate Income Tax Paid	$	65,000.00
Times Tax Percentage (example APP)		0.420477
CRIZ Portion	$	27,331.01

Total Tax Payments Made

All Pennsylvania Locations (Column A)

$ 65,000.00 Total tax remitted in the form of a payment, received by the department for consolidated corporate net income tax.

CRIZ Location (Column B)

$ 27,331.01 Total Corporate Net Income Tax attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

$ 0 Refunds granted for Corporate Net Income Tax.

CRIZ Location (Column B)

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

Tax Payment Apportionment Factor

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

42.05 %.

Bank Shares Tax
2021
Example Company, Inc.
Bank Shares Tax Paid from 1/1/2021 to 12/31/2021

Example
BNK

Example Company, Inc. owns two banks in Pennsylvania that are subject to the bank shares tax; one is located in the CRIZ. In March of 2021 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 CRIZ but has another location, or has property, payroll or sales outside the CRIZ, then the Supplemental Apportionment Worksheet (APP) must be completed to calculate the amount reporting in Column B (CRIZ Location).

Tax Paid	$	25,000.00
Times Tax Percentage (example APP)		0.420477
CRIZ Portion	$	10,511.93

Total Tax Payments Made

All Pennsylvania Locations (Column A)

$ 25,000.00 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

CRIZ Location (Column B)

$ 10,511.93 Total tax type identified above attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

$ 0 Refunds granted for consolidated tax type identified above.

CRIZ Location (Column B)

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

Tax Payment Apportionment Factor

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

PA Sales, Use & Hotel Occupancy Tax Schedule
2021
Example Company, Inc.
Sales & Use Taxes Paid from 1/1/2021 to 12/31/2021

Example
SU

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

In 2021 the company paid sales & use tax to the PA Dept. of Revenue, using Form PA-3 (Sales, Use & Hotel Occupancy Tax Return) or via E-TIDES, in January, April, July and October that totaled $360,000 for the year. In February of 2021, they received a refund in the amount of $250 for overpayment of sales tax in the 4th quarter of 2020.

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

	Store Sales	Purchase Subject to Use Tax @ 6%	Sales/Use Tax Remitted @ 6%	Refund
Total Sales Tax Paid	$ 6,000,000.00	-	$ 360,000.00	$ 250.00
CRIZ Portion	$ 2,000,000.00	-	$ 120,000.00	$ 83.00

Total Tax Payments Made

All Pennsylvania Locations (Column A)

$ 360,000.00 Total tax remitted in the form of a payment, received by the department for consolidated sales, use & hotel occupancy.

CRIZ Location (Column B)

$ 120,000.00 Total sales, use and hotel occupancy tax attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

$ 250.00 Refunds granted to the consolidated sales, use and hotel occupancy account.

CRIZ Location (Column B)

$ 83.00 Refunds granted attributable to the location within the CRIZ for sales, use and hotel occupancy taxes.

PA Sales, Use & Hotel Occupancy Tax Schedule
2021
Example Company, Inc.
Hotel Occupancy Taxes Paid from 1/1/2021 to 12/31/2021

Example
HO

Example Company, Inc., is a hotel operator and owns several hotels located throughout Pennsylvania. The Company has one hotel located within the CRIZ. In 2021 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) or via E-TIDES, of which $20,000 was related to the CRIZ 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.

	Hotel Occupancy Remitted @ 6%
Total Hotel Occupancy Tax Paid	$ 60,000.00
Total Hotel Occupancy Tax Paid - CRIZ Location	$ 20,000.00

Total Tax Payments Made

All Pennsylvania Locations (Column A)

$ 60,000.00 Total tax remitted in the form of a payment, received by the department for consolidated sales, use & hotel occupancy.

CRIZ Location (Column B)

$ 20,000.00 Total sales, use and hotel occupancy tax attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

$ 0 Refunds granted to the consolidated sales, use and hotel occupancy tax account.

CRIZ Location (Column B)

$ 0 Refunds granted attributable to the location within the CRIZ for sales, use and hotel occupancy taxes.

PA Employer Withholding Tax Schedule
2021
Example Company, Inc.
Payroll Taxes Paid from 1/1/2021 to 12/31/2021

Example
EWH

Example Company, Inc. has two offices; one in the CRIZ and one in Harrisburg. They have four employees, two work in the CRIZ office location. In 2021 the company paid withholding taxes to the PA Dept. of Revenue, using Form PA-W3 (Employer Quarterly Return of Withholding Tax), in January (Q4-2020), April (Q1-2021), July (Q2-2021) and October (Q3-2021) that totaled $3,714.70 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 CRIZ office	Gross Wages	State Withholding @ 3.07%	
Employee #1	y	$ 42,000.00	$ 1,289.40	$2,333.20
Employee #2	y	$ 34,000.00	$ 1,043.80	
Employee #3	n	$ 30,000.00	$ 921.00	
Employee #4	n	$ 15,000.00	$ 460.50	
		$ 121,000.00	$ 3,714.70	

Total Tax Payments Made

All Pennsylvania Locations (Column A)

$ 3,714.70 Total tax remitted in the form of a payment, received by the department for consolidated employer withholding.

CRIZ Location (Column B)

$ 2,333.20 Total employer withholding attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

$ 0 Refunds granted to the Consolidated Employer Withholding Account.

CRIZ Location (Column B)

$ 0 Refunds granted attributable to the location within the CRIZ for employer withholding.

PA Employer Withholding Tax - CRIZ Project
2021
Example Company, Inc.
Payroll Taxes Paid from 1/1/2021 to 12/31/2021

Example
EWH-CRIZ
Project

PLEASE COMPLETE A SEPARATE CRIZ REPORT (UNIQUE LOCATION NUMBER) FOR EACH CRIZ PROJECT ADDRESS

Example Company, Inc. is working on a CRIZ project as a contractor. They have two people working on the project. Each of the people working on the project are spending a different percentage of their hours working on the project. The taxes paid related to the hours worked on the project that were remitted to the PA Dept. of Revenue, using Form PA-W3 (Employer Quarterly Return of Withholding Tax), in January (Q4-2020), April (Q1-2021), July (Q2-2021) and October (Q3-2021) totaled $805.88 for the year.

	Working on CRIZ Project	Gross Wages	Withholding @ 3.07%	Percentage of total time working on CRIZ project	Gross Wages related to CRIZ project	Withholding @ 3.07%
Employee #1	n	$ 42,000.00	$ 1,289.40	0%	$ -	$ -
Employee #2	n	$ 34,000.00	$ 1,043.80	0%	$ -	$ -
Employee #3	y	$ 30,000.00	$ 921.00	65%	$ 19,500.00	$ 598.65
Employee #4	y	$ 15,000.00	$ 460.50	45%	$ 6,750.00	$ 207.23
		$ 121,000.00	$ 3,714.70		$ 26,250.00	$ 805.88

Total Tax Payments Made

All Pennsylvania Locations (Column A)
$ 3,714.70 Total tax remitted in the form of a payment, received by the department for consolidated employer withholding.

CRIZ Location (Column B)
$ 805.88 Total employer withholding attributable to the CRIZ Project.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)
$ 0 Refunds granted attributable to consolidated employer withholding.

CRIZ Location (Column B)
$ 0 Refunds granted attributable to the CRIZ Project.

Example
MALT

Malt Beverage Tax -
Must Have PA Malt Beverage Account Number
2021
Example Company, Inc.
Tax Paid from 1/1/2021 to 12/31/2021

Example Company, Inc. owns two breweries in Pennsylvania; one is located in the CRIZ. In 2021 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 (must have Malt Beverage Account Number).

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	$	3,100.00
CRIZ Portion	$	1,303.00

Total Tax Payments Made

All Pennsylvania Locations (Column A)

$ 3,100.00 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

CRIZ Location (Column B)

$ 1,303.00 Total tax type identified above attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

$ 0 Refunds granted for consolidated tax type identified above.

CRIZ Location (Column B)

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

Example
C-SU

Sales and Use Taxes paid on the purchase of materials used in construction in CRIZ (CRIZ Project)
2021
Example Company, Inc.
Sales and Use Taxes paid from 1/1/2021 to 12/31/2021

NOTE: Taxpayer must maintain evidence of invoices to support amount reported and have the Invoice Date, Invoice Number, Purchase Amount, and Tax Paid available for input at time of filing.

Invoice Date	Invoice Number	Purchase Amount	Sales Tax Paid	Vendor listed on Invoice
2/15/21	12568	$1,700,000.00	$102,000.00	US Steel
3/7/21	1257	$750,000.00	$45,000.00	Acme Lumber Co.
4/15/21	18825	$125.00	$7.50	Home Depot
Total		$2,450,125.00		
CRIZ Project		TOTAL	**$147,007.50**	

***NOTE: Included above should be total payments of sales tax on an invoice to a vendor or supplier and/or payments to Pennsylvania for use tax on invoices not charging sales tax.**

NOTE - Columns A & B are the same as this is the tax paid for the CRIZ Project (each CRIZ Project should be reported separately using the approved CRIZ Project Address).

Total Tax Payments Made

All Pennsylvania Locations (Column A)
$ 147,007.50 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

CRIZ Project (Column B)
$ 147,007.50 Total tax type identified above attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)
$ 0 Refunds granted for consolidated tax type identified above.

CRIZ Project (Column B)
$ 0 Refunds granted for tax type identified above attributable to the location within the CRIZ.

Example
TPP

PA Sales or Use Tax Paid on the Purchase of Tangible Personal Property or Services
2021
Example Company, Inc.
Sales & Use Taxes Paid from 1/1/2021 to 12/31/2021

Example Company, Inc. has two retail stores; one in the CRIZ and one in Harrisburg. The company purchased furniture and other tangible personal property in total of $150,000 of which $75,000 was for the CRIZ 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.

	Column A		Column B
TPP or Services Purchased Total PA	Total PA TPP Sales or Use Tax @ 6%	TPP or Services Purchased CRIZ	Total CRIZ TPP Sales or Use Tax @ 6%
$ 150,000.00	$ 9,000.00	$ 75,000.00	$ 4,500.00

NOTE: Taxpayer must maintain evidence of invoices to support amount reported and have the Invoice Date, Invoice Number, Purchase Amount, and Tax Paid available for input at time of filing.

Total Tax Payments Made

All Pennsylvania Locations (Column A)
$ 9,000.00 Total tax remitted in the form of a payment, received by the department for sales or use tax paid on the purchase of tangible personal property or services.

CRIZ Location (Column B)
$ 4,500.00 Total sales or use tax paid on the purchase of tangible personal property or services used exclusively by the business for activity in the zone (CRIZ location).

Total Tax Refunds Received

All Pennsylvania Locations (Column A)
$ 0 Refunds granted attributable to all locations in PA.

CRIZ Location (Column B)
$ 0 Refunds granted attributable to the location within the CRIZ.

Personal Income Tax (PIT) Imposed on Passthrough Entity Income
2021
Example Company, Inc.
Tax Paid from 1/1/2021 to 12/31/2021

Example
PIT

Example Company, Inc. is a Pennsylvania Passthrough Entity with one shareholder. For the year 2020, the entity reported $500,000 in net income. No PA individual income tax withholding was reported by the entity. In March of 2021 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:
- Sole proprietor
- 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: EXCLUDES PIT on passive income.

Tax Paid	$	15,350.00
CRIZ Portion	$	15,350.00

Total Tax Payments Made

All Pennsylvania Locations (Column A)

$ 15,350.00 Total tax remitted in the form of a payment for consolidated tax type identified above.

CRIZ Location (Column B)

$ 15,350.00 Total tax type identified above attributable to the location within the CRIZ.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

$ 0 Refunds granted for consolidated tax type identified above.

CRIZ Location (Column B)

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

Malt or Brewed Beverage Tax - Excise Tax and Sales Tax
2021
Example Company, Inc.
Tax Paid from 1/1/2021 to 12/31/2021

Example
MALT
EX+SLS

Example Company, Inc. owns two restaurants in Pennsylvania; one is located in the CRIZ. In 2021 the company purchased 462 barrels of beer at a cost of $65,604.25; 275 barrels were for the CRIZ location at a cost of $39,050.25.

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: Taxpayer must maintain evidence of invoices to support amount reported and have the Invoice Date, Invoice Number, Purchase Amount, and Tax Paid available for input at time of filing.

NOTE - See Excise Tax Volume tax rates below

Malt or Brewed Beverage Excise and Sales Tax

		CRIZ
Barrels purchased for resale in the zone		275
Excise Tax on barrel	$	2.48
Total Malt or Brewed Beverage Excise Tax	$	682.00
Total cost of Malt or Brewed Beverages purchased for resale in the zone	$	39,050.25
Sales Tax Paid (6%)	$	2,343.02

Tax Type: Malt or Brewed Beverage Excise Tax

Volume Purchased for resale in the zone

275 Barrels

Excise Tax Paid for CRIZ location

$ 682.00 Total tax type identified above attributable to the location within the CRIZ.

Malt or Brewed Beverage Excise Tax Rates (by volume)		
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

Tax Type: Malt or Brewed Beverage Sales Tax

Total cost of malt or brewed beverages purchased for resale in the zone

$ 39,050.25

Sales Tax Paid for malt or brewed beverages purchased for resale in the zone (CRIZ location)

$ 2,343.02 Total tax type identified above attributable to the location within the CRIZ.

Example
LIQR

Liquor/Wine Excise and Sales Taxes
2021
Example Company, Inc.
Tax Paid from 1/1/2021 to 12/31/2021

Example Company, Inc. owns two restaurants in Pennsylvania; one is located in the CRIZ. In 2021 the company purchased $50,000 in liquor/wine from the PA Liquor Control Board for resale in their restaurants, $40,000 for the CRIZ 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.

NOTE: Taxpayer must maintain evidence of invoices to support amount reported and have the Invoice Date, Invoice Number, Purchase Amount, and Tax Paid available for input at time of filing.

Total Tax attributable to Liquor/Wine Purchased for Resale in the Zone (Excise and Sales Tax)

Total cost of liquor and/or wine purchased for resale in the zone	$	40,000.00
Liquor/Wine Excise Tax (14.39%) included in purchase price	$	5,756.00
Liquor/Wine Sales Tax Paid (5.66% of purchase cost)	$	2,264.00
Total tax attributable to liquor and/or wine purchased for resale in the zone (excise plus sales tax)	$	8,020.00

Total cost of liquor and/or wine purchased for resale in the zone
$ 40,000.00 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

Liquor/Wine Excise Tax
$ 5,756.00 Total tax type identified above attributable to the location within the CRIZ.

Liquor/Wine Sales Tax
$ 2,264.00 Total tax type identified above attributable to the location within the CRIZ.

Total tax attributable to liquor and/or wine purchased for resale in the zone (CRIZ location)= Excise + Sales Tax
$ 8,020.00

Example

EIT/PIT

Local Employer Wage/Earned Income Tax Schedule
2021
Example Company, Inc.
Local Earned Income Tax Paid from 1/1/2021 to 12/31/2021

Example Company, Inc. has an office in the City of Lancaster located in the CRIZ. They have four employees; two reside in the City of Lancaster and the other two reside in Manheim Township. In 2021 the company paid withholding taxes to the local tax collector in January (Q4-2020), April (Q1-2021), July (Q2-2021), and October (Q3-2021) 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. For PIT, amounts paid in 2021 to the City of Lancaster (for residents livings in PSD code 361001), include amount paid in April 2021 (from 2020 return) plus any estimated payments made in 2021.

NOTE: PIT EXCLUDES passive income.

	Reside in City of Lancaster	Gross Wages	Local Withholding	
Employee #1	y	$ 42,000.00	$ 420.00	$760.00
Employee #2	y	$ 34,000.00	$ 340.00	
Employee #3	n	$ 30,000.00	$ 450.00	$675.00
Employee #4	n	$ 15,000.00	$ 225.00	
		$ 121,000.00	$ 1,435.00	

TAX TYPE	Local taxes paid by the business for ALL City of Lancaster location(s) in the 2021 CALENDAR YEAR (less cash basis refunds)	Local taxes paid and attributable to CRIZ LOCATION(S) within the City of Lancaster in the 2021 CALENDAR YEAR (less cash basis refunds)	
Local Employer Wage OR Earned Income Tax (EIT) for Employees or Business Owners residing in the City of Lancaster ONLY (Live in PSD 361001)	TOTAL	TOTAL	CRIZ%=55%
	$ 760.00	$ 760.00	$ 418.00
Local Services Tax (LST) for Employees or Business Owners working in the City of Lancaster (Work in PSD 361001)	TOTAL	TOTAL	CRIZ%=90.4%
	$ 208.00	$ 208.00	$ 188.03
Taxes remitted ot the City of Lancaster attributable to CRIZ BUSINESS LOCATIONS			$ 606.03

Local Employer Wage/Earned Income Tax Schedule - CRIZ Project
2021
Example Company, Inc.
Local Earned Income Tax Paid from 1/1/2021 to 12/31/2021

Example
EIT/PIT-
CRIZ Project

Example Company, Inc. has an office in Manheim Township but is working on a CRIZ Authority Approved Project. They have four employees; two reside in the City of Lancaster and the other two reside in Manheim Township, but only one of the Lancaster residents works on the CRIZ Authority Approved Project for 50% of their total hours. In 2021 the company paid withholding taxes to the local tax collector in January (Q4-2020), April (Q1-2021), July (Q2-2021), and October (Q3-2021) that totaled $1,390 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. For PIT, amounts paid in 2021 to the City of Lancaster (for residents livings in PSD code 361001), include amount paid in April 2021 (from 2020 return) plus any estimated payments made in 2021.

NOTE: PIT EXCLUDES passive income.

	Reside in City of Lancaster	Working on CRIZ Approved Project	Gross Wages	Local Withholding	Local Withholding CRIZ Project
Employee #1	y	y	$ 52,500.00	$ 525.00	$ 262.50
Employee #2	y	n	$ 34,000.00	$ 340.00	$ -
Employee #3	n	y	$ 30,000.00	$ 300.00	$ -
Employee #4	n	n	$ 15,000.00	$ 225.00	$ -
			$ 131,500.00	$ 1,390.00	$ 262.50

TAX TYPE	PROJECT LOCATION(S) within the City of Lancaster in the 2021 CALENDAR YEAR (less cash refunds)	
Local Employer Wage OR Earned Income Tax (EIT) only for those Employees or Business Owners working on a CRIZ Authority Approved Project AND who reside in the City of Lancaster (Live in PSD 361001)	TOTAL	CRIZ%=55%
	$ 262.50	$ 144.37
Local Services Tax (LST) for Employees or Business Owners working in the City of Lancaster (Work in PSD 361001)	TOTAL	CRIZ%=90.4%
	$ 26.00	$ 23.50
Total Taxes remitted to the City of Lancaster attributable to CRIZ AUTHORITY APPROVED PROJECTS		$ 167.87

Example
LST

Local Service Tax Schedule
2021
Example Company, Inc.
Local Services Tax Paid from 1/1/2021 to 12/31/2021

Example Company, Inc. has an office in the City of Lancaster. They have four employees, all working in the CRIZ office location In 2021 the company paid Local Services Tax to the local taxing authority in January (Q4-2020), April (Q1-2021), July (Q2-2021) and October (Q3-2021) 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 CRIZ office	Gross Wages	LST Paid
Employee #1	y	$ 42,000.00	$ 52.00
Employee #2	y	$ 34,000.00	$ 52.00
Employee #3	y	$ 30,000.00	$ 52.00
Employee #4	y	$ 15,000.00	$ 52.00
		$ 121,000.00	$ 208.00

$208.00

TAX TYPE	Local taxes paid by the business for ALL City of Lancaster location(s) in the 2021 CALENDAR YEAR (less cash basis refunds)	Local taxes paid and attributable to CRIZ LOCATION(S) within the City of Lancaster in the 2021 CALENDAR YEAR (less cash basis refunds)	
Local Employer Wage OR Earned Income Tax (EIT) for Employees or Business Owners residing in the City of Lancaster ONLY (Live in PSD 361001)	TOTAL	TOTAL	CRIZ%=55%
	$ 760.00	$ 760.00	$ 418.00
Local Services Tax (LST) for Employees or Business Owners working in the City of Lancaster (Work in PSD 361001)	TOTAL	TOTAL	CRIZ%=90.4%
	$ 208.00	$ 208.00	$ 188.03
Total Taxes remitted ot the City of Lancaster attributable to CRIZ BUSINESS LOCATIONS			$ 606.03

Local Service Tax Schedule - CRIZ Project
2021

Example Company, Inc.

Local Services Tax Paid from 1/1/2021 to 12/31/2021

Example
LST-
CRIZ Project

Example Company, Inc. has an office in Manheim Township and is working on a CRIZ Authority Approved Project. They have four employees, one of whom work on the CRIZ Authority Approved Project for 50% of their total hours. In 2021 the company paid Local Services Tax to the local taxing authority in January (Q4-2020), April (Q1-2021), July (Q2-2021) and October (Q3-2021) 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.

	Work on CRIZ Approved Project	Gross Wages	LST Paid	LST CRIZ Project
Employee #1	y	$ 52,500.00	$ 52.00	$ 26.00
Employee #2	n	$ 34,000.00	$ 52.00	$ -
Employee #3	n	$ 30,000.00	$ 52.00	$ -
Employee #4	n	$ 15,000.00	$ 52.00	$ -
		$ 131,500.00	$ 208.00	$ 26.00

TAX TYPE	PROJECT LOCATION(S) within the City of Lancaster in the 2021 CALENDAR YEAR (less cash refunds)	
Local Employer Wage OR Earned Income Tax (EIT) only for those Employees or Business Owners working on a CRIZ Authority Approved Project AND who reside in the City of Lancaster (Live in PSD 361001)	TOTAL	CRIZ%=55%
	$ 262.50	$ 144.37
Local Services Tax (LST) for Employees or Business Owners working in the City of Lancaster (Work in PSD 361001)	TOTAL	CRIZ%=90.4%
	$ 26.00	$ 23.50
Total Taxes remitted ot the City of Lancaster attributable to CRIZ AUTHORITY APPROVED PROJECTS		$ 167.87

City Revitalization & Improvement Zone (CRIZ)
Frequently Asked Questions

FAQ

1 What is the CRIZ?

The CRIZ is the City Revitalization and Improvement Zone that was created through State Legislation—Act 52 of 2013, (P.L. 270, No. 52 of July 9, 2013) most recently amended by Act 84 of 2021 (P.L. 526, No. 84 of July 13, 2021)—as a tool for city revitalization.

2 What are the purpose and benefits of the CRIZ?

The purpose of the CRIZ is to create a financing mechanism that will support the continued economic growth in the downtown and neighborhood commercial hubs. CRIZ benefits include:

- Helping businesses remain competitive or increase competitiveness.
- Increase property values in the city by repurposing underutilized or vacant properties.
- Businesses can indirectly benefit from public improvements in the zone that improve pedestrian safety and increase parking.
- Retail and restaurant businesses will benefit from increased visitors and customers from new business locating in the zone and expansion of hospitality industry expansion.
- Businesses will benefit from a vibrant downtown and commercial hubs where residents can live, work, shop and enjoy what the City has to offer.
- Redevelopment opportunities will create expanded job opportunities for city residents and attract a diverse population of new residents that will provide increased business traffic.

3 Who controls the CRIZ?

The CRIZ is managed by the Lancaster CRIZ Authority, which is an independent authority of the Commonwealth that was created to manage the revitalization efforts in the CRIZ. It's comprised of a Board of Directors who makes all governance decisions. The CRIZ board meets each month. For more information, including meeting details, visit the CRIZ Authority website here: **http://cityoflancasterpa.com/government/criz-authority**

4 How is the CRIZ funded?

The CRIZ is funded using selected State and Local CRIZ attributable taxes that are credited to the CRIZ fund. The CRIZ Authority then allocates these resources through their project guidelines to assist in financing economic development efforts. The CRIZ attributable taxes are not new taxes imposed on a property owner or business. CRIZ attributable taxes are taxes already paid to the Commonwealth and the City that are returned to the CRIZ Authority to be used for economic development purposes.

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

The CRIZ 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.

FAQ

6 Why does Lancaster need a CRIZ?

Lancaster needs a CRIZ to provide for comprehensive and strategic economic development of the downtown and neighborhood commercial hubs with sufficient financial means to execute the revitalization.

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

Contact Marshall Snively, Acting Executive Director of the CRIZ Authority at 717-394-0783 or e-mail at msnively@teamlanc.org. He can tell you if you are in the CRIZ. Or, you can locate your business on the official CRIZ map located at the following link: https://www.cityoflancasterpa.com/investment-incentives-tax-credits-and-financing/criz/ and click on the CRIZ map. You can zoom in to see specific property parcels. An information box will pop up if you move the cursor over the property.

8 How will being in the CRIZ affect my employees?

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

9 Do I have to report? What happens if I don't do it?

Yes. This is a legislative requirement and must be completed accurately and on time **(on or before June 15th annually)**. If you do not comply, a penalty, which is the lesser of 10% of all eligible tax due to the taxing authority in the prior calendar year, or $1000, will be assessed by the State Department of Revenue so please file on time. This penalty is imposed by the Commonwealth of Pennsylvania and the CRIZ Authority is not able to waive the penalty. Only the Commonwealth can waive the penalty and the business must file a waiver request directly with the PA Department of Revenue.

10 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.

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

Absolutely. Please contact Marshall Snively, the Acting Executive Director of the Lancaster CRIZ Authority at 717-394-0783 or e-mail at msnively@teamlanc.org or the CRIZ Compliance Liaison, Deana Zosky, at 484-951-1289 or email deana@four-score.com to schedule a meeting.

FAQ

12 What does it mean to be in the CRIZ and what does it mean to me and my business?

Being a business in the CRIZ means that your businesses will benefit from the continued economic growth of the City in various forms, such as increased property values, improved public improvements, increased sales traffic as redevelopment takes place, and the ability to apply to the Lancaster CRIZ Authority for funding for additional projects should your business wish to expand.

13 Where does the money go?

The amounts that are reported each year are reviewed by the state and local taxing bodies and the amounts certified by those taxing bodies are sent to the Lancaster CRIZ Authority to use according to the legislation and their project guidelines and approval process.

14 Who decides how it gets used?

The Lancaster CRIZ Authority decides how to use the money within the parameters of the CRIZ legislation requirements. The Commonwealth of Pennsylvania must also approve the use of CRIZ funds following the approval of the Lancaster CRIZ Authority.

15 Can my business obtain financing through the CRIZ? If so, for what purposes? And how soon?

If your business is interested in pursuing a development or redevelopment project in the Lancaster CRIZ, please contact Marshall Snively, Acting Executive Director of the Lancaster CRIZ Authority by email at msnively@teamlanc.org or by phone at 717-394-0783 to begin discussions or have your questions answered.

16 Does the CRIZ Authority provide assistance to file the required reports with the Commonwealth of Pennsylvania and the City of Lancaster?

Yes, the Lancaster CRIZ Authority has hired the FourScore, LLC team to assist businesses and property owners to file the required annual reports with the Commonwealth and the City **at no charge** to the business or the property owner. The FourScore team has also created Excel spreadsheets that will enable you to track CRIZ revenue during the year, making filing the annual report easier. So please contact the FourScore team for **free assistance** in filing your reports. They can be reached at 484-951-1289 or by email at deana@four-score.com.

FAQ

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

Under the CRIZ law, you are required to report the taxes your business already pays and reports to state and local agencies. Please begin completing your CRIZ reporting forms well in advance of the deadline, June 15, 2022.

1 STATE
Pennsylvania State (Department of Revenue) Taxes:

		See Example
1	Supplemental Apportionment Worksheet (if applicable)	APP
2	Corporate Net Income Tax *	CNI
3	Bank Shares Tax *	BNK
4	Sales & Use Tax - E-TIDES/Hotel Occupancy Tax	SU & HO
5	Employer Withholding Tax - includes CRIZ Projects	EWH & EWH-CRIZ Project
6	Liquor or Malt Beverage Tax Charged by Brewer/Distiller	MALT
7	Sales & Use Tax Paid by Contractor for Materials for Projects in the Zone	C-SU
8	Sales & Use Tax on Tangible Personal Property/Services Used for Business in the Zone	TPP
9	PIT Passthrough Tax - Excludes Passive Income - includes CRIZ Projects	PIT
10	Total Tax Attributable to Malt or Brewed Beverage Purchased for Resale in the Zone (Excise & Sales Tax)	MALT EX+SLS
11	Total Tax Attributable to Liquor/Wine Purchased for Resale in the Zone (Excise & Sales Tax)	LIQR

*** Subject to Apportionment. All other taxes use the Allocation method.**

1 LOCAL
City of Lancaster Taxes:

		See Example
1	Local Employer Wage	EIT/PIT & EIT/PIT-CRIZ Project
2	Earned Income Tax (PIT - Excludes Passive Income)	EIT/PIT & EIT/PIT-CRIZ Project
3	Local Service Tax	LST & LST-CRIZ Project

FAQ

18 Where can I download the PA Department of Revenue State CRIZ Report?

Electronic filing and instructions will be available from April 1 to June 15, 2022 at:
https://www.etides.state.pa.us/NIZCRIZ/Esignature/Account/LogOn?ReturnUrl=%2fNIZCRIZ%2fDefault.aspx

When you are ready to file the CRIZ report online, you must sign in using your e-TIDES account number. If you don't have one, please obtain one by following "New Users" registration. **Once you have filed and before signing off, print the state filing for your records (includes a five-digit confirmation number).**

19 Where can I download the Local CRIZ Report?

The Local CRIZ Report can be downloaded from the City of Lancaster website here:
https://www.cityoflancasterpa.com/investment-incentives-tax-credits-and-financing/criz/

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

It doesn't. You will continue paying your State and Local taxes as you always have in the past. The CRIZ program only requires that you file an additional report documenting the state and local taxes you have paid with the State and City by June 15 of each year on the forms they provide.

21 Will this mean I need to do more accounting? And can my accountant do this for me?

No, this does not mean more accounting. Your business will just need to use your existing information to report on the State and Local CRIZ tax reporting forms. Remember, reporting is on a **CASH BASIS**, so you'll need records of payments made or refunds received in 2021 regardless of what year they relate to. Your accountant can do this for you, however, there is no need to incur additional costs for this reporting. We have hired the team at FourScore to help you complete the forms for FREE. Please contact them directly for assistance at lancastercrizcompliance@four-score.com or 484-951-1289.

22 This looks like it's going to take a lot of time. How long is this going to take?

Depending on your businesses complexity the reporting could take as little as five minutes or a bit more time to gather your records of payment of the selected taxes and fill out the forms. The team at Four Score can help you with this process to minimize the amount of time you need to spend on this.

23 Do people who live in the CRIZ have to do this, too?

No. Individuals that **are not** sole proprietors or **are** residential tenants are not required to file. The Lancaster CRIZ captures business entity reporting, including sole proprietor or building owner taxes.