

Lancaster City Revitalization & Improvement Zone (CRIZ)

2022 Reporting & Information Packet - Contractors

For Calendar Year Reporting January 1 - December 31, 2022

Due on or before June 15, 2023



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. To see if your project is in the CRIZ, 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.



CRIZ Attributable Tax Summary - Lancaster Contractors

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 2022 and report those payments on the forms.

1 STATE Pennsylvania State (Department of Revenue) Taxes:

See Example

5	Employer Withholding Tax - includes CRIZ Projects	EWH-CRIZ Project
7	Sales & Use Tax Paid by Contractor for Materials for Projects in the Zone	C-SU

1 LOCAL City of Lancaster Taxes:

See Example

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

How does the CRIZ reporting process work?

BASELINE YEAR: 2013

REPORTING

START

My business is located in the CRIZ or I am a contractor working on a CRIZ project.

YES

Business included on master business listing (provided to taxing bodies by June 1, 2023) & required to file local & state CRIZ tax report by June 15, 2023 for 2022 calendar year (for cash basis tax payments made during 12 months of calendar year). See list of taxes on page 4.

Qualified business or contractor sends CRIZ Tax Reports.

To be received by June 15, 2023

BASELINE

State (PA Department of Revenue)

Local (City of Lancaster)

By October 15, 2023

Verifies the state baseline tax amount.

Verifies the local baseline tax amount.

By October 15, 2023

CERTIFICATION

Includes all state CRIZ attributable taxes.

Certification by October 15, 2023

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

Includes all local CRIZ attributable taxes.

Certification by October 15, 2023

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

STATE TREASURER

Within 10 days of receiving instructions from Office of Budget

CRIZ Revenues sent from General Fund to CRIZ Fund.

OFFICE OF BUDGET

Directs State Treasurer to transfer amount certified from General Fund to CRIZ Fund (CRIZ Revenues).

Within 10 days of receiving certification

LANCASTER AUTHORITY

Distributes money to proper accounts based on approved process and guidelines.

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

By April 15, 2024

Excess Money (Remaining monies returned to state and local taxing bodies.)

TBD by Authority

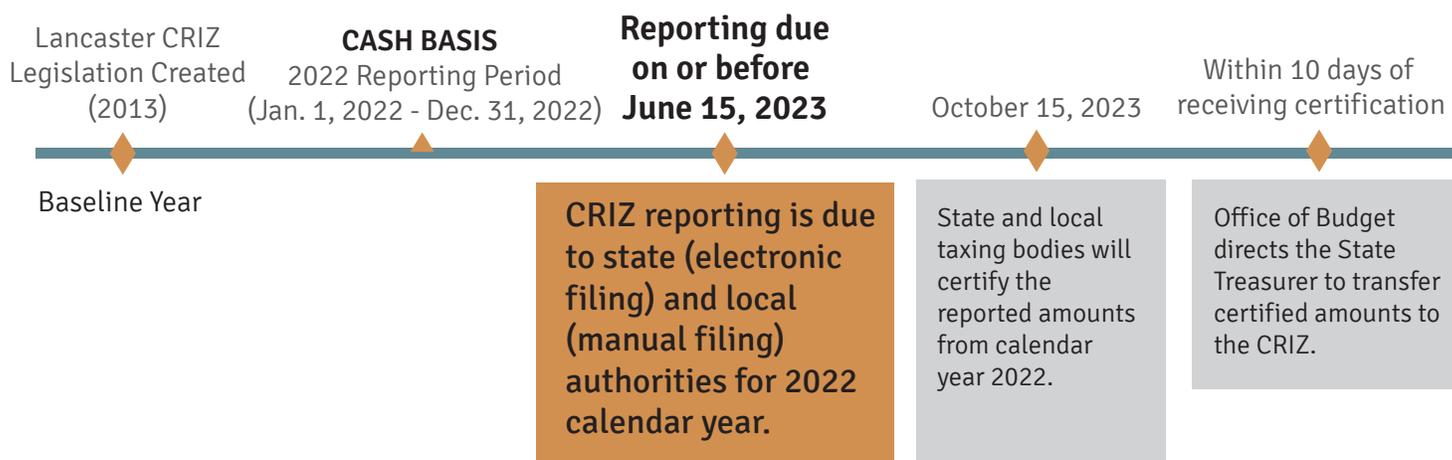
CRIZ Revenues

Authority flexibility

CRIZ Reporting - when is it due and why?

WHEN

Must be received on or before June 15, 2023 for the calendar year ended December 31, 2022 (January 1, 2022 through December 31, 2022). **Filings will not be accepted by the Department of Revenue after June 15, 2023 (their system is shut off after 11:59 p.m. on June 15, 2023).** 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!

**PA Employer Withholding Tax - CRIZ Project
2022**
Example Company, Inc.
Payroll Taxes Paid from 1/1/2022 to 12/31/2022

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 (Q4-2021), April (Q1-2022), July (Q2-2022) and October (Q3-2022) 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	\$ 42,000.00	\$ 1,289.40	0%	\$ -	\$ -
Employee #2	\$ 34,000.00	\$ 1,043.80	0%	\$ -	\$ -
Employee #3	\$ 30,000.00	\$ 921.00	65%	\$ 19,500.00	\$ 598.65
Employee #4	\$ 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.

Local Employer Wage/Earned Income Tax Schedule - CRIZ Project 2022

Example Company, Inc.
Local Earned Income Tax Paid from 1/1/2022 to 12/31/2022

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 2022 the company paid withholding taxes to the local tax collector in January (Q4-2021), April (Q1-2022), July (Q2-2022), and October (Q3-2022) 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 2022 to the City of Lancaster (for residents living in PSD code 361001), include amount paid in April 2022 (from 2021 return) plus any estimated payments made in 2022.

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 2022 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

Local Service Tax Schedule - CRIZ Project 2022

Example Company, Inc.

Local Services Tax Paid from 1/1/2022 to 12/31/2022

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 2022 the company paid Local Services Tax to the local taxing authority in January (Q4-2021), April (Q1-2022), July (Q2-2022) and October (Q3-2022) 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 2022 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 of the City of Lancaster attributable to CRIZ AUTHORITY APPROVED PROJECTS		
	\$	167.87