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Four Communities Enact Local Earned Income Tax

Several Delaware County communities recently imposed a local earned income tax beginning in 2025. Upper Darby Township, Upper Providence Township, Ridley Park Borough and Aldan Borough join the other communities in Delaware County that currently collect this tax.

The 1% tax is assessed to residents regardless of where they work and to non-residents working in the community. The tax becomes effective on January 1, 2025.

The vast majority of suburban Philadelphia communities have already imposed this local earned income tax for many years. Keystone Collections Group, the Act 32 tax officer servicing municipalities and school districts in Delaware County, is responsible for collecting the tax.

“Many, if not most, of the residents in these four municipalities are already paying the tax in their workplace jurisdictions,” said Joe Lazzaro, Keystone Vice President. “The new ordinances help to keep that tax revenue in the residents’ home community.”

Non-residents who already pay the tax in their home community will not be double taxed. Residents working in Philadelphia and already subject to the commuter tax there will not owe the tax due to the Philadelphia commuter tax credit.

State law requires all Pennsylvania employers to withhold earned income tax. While most employers report payroll withholding quarterly, businesses may alternatively file on a monthly basis. Almost all businesses and payroll companies report local payroll taxes online using Keystone’s Business Portal. Business.KeystoneCollects.com

Taxpayers can visit Keystone’s website KeystoneCollects.com for more information, to obtain answers to frequently asked questions, or to contact a Keystone taxpayer service agent for assistance.