

**Central Tax Bureau/Don Wilkinson Agency
2011 Earned Income Tax Returns**

Berkheimer is pleased to announce that we have entered into an agreement with Central Tax Bureau of Pennsylvania, Inc. and Don Wilkinson Agency, Inc. (collectively, CTB) to process the 2011 and prior year Earned Income Tax returns. As you are aware, CTB has ceased operations with a large portion of the 2011 EIT return processing incomplete. As a result, we have been engaged to help sort out the remaining work.

Berkheimer is keenly aware that many taxpayers are still awaiting their 2011 refunds, and that many local officials are being questioned about the status of their refunds. Accordingly, our top priority in the processing of these returns is to issue refunds as quickly as possible.

Beyond just the refunds, there are unprocessed payments that need to be disbursed to the appropriate PSD, as well as the normal auditing, reconciliation and delinquent follow-up that must be conducted. Over the next couple of weeks, Berkheimer will be working with CTB to transfer appropriate records, data, unprocessed returns, and undistributed refund monies. Berkheimer will then begin processing/auditing returns and depositing payments sent to CTB. Your 2011 commission rates (either Berkheimer's or CTB's) will apply.

As soon as possible, we will begin issuing refunds to taxpayers. If Berkheimer is your current ACT 32 EIT collector, this will be completely seamless with our current collection process. If there were funds held by CTB for refund purposes, they will be disbursed to your PSD. As refunds are issued, the refund amounts will be debited against your current collections.

If Berkheimer is not your current collector, refunds will be issued from the refund monies held by CTB. If there are remaining monies at the conclusion of the refund processing, these monies will be disbursed to the PSD. If additional funds are required, we will make a request to your PSD prior to the issuance of those refunds.

If Berkheimer is your delinquent EIT collector, we will be conducting our normal follow-up process for all returns and taxpayers that require it. If Berkheimer is not your delinquent EIT collector, we will forward the records to the appropriate collector, at which point that collector will be responsible to do any delinquent follow up.

Assuming there are no unanticipated delays, Berkheimer hopes that tax refunds will be mailed by July 1, 2013. Berkheimer also anticipates depositing the checks taxpayers sent to the CTB for 2011 and prior year taxes on or before July 1, 2013.

Unfortunately, due to the nature of the records and data that we will be receiving, the reports that we would normally provide may or may not be appropriate for this work. We will keep you apprised of any perceived irregularities in the reporting that may arise from this endeavor.

As a separate item, please be aware that there was a decision handed by the courts that has re-established the ability for individuals who have City of Philadelphia Non-resident wage tax withheld, to apply the taxes paid as credit against wages earned OUTSIDE the city as well. This decision returns the crediting provisions to how they were applied for tax year 2011 and prior.

In other words, in 2012 credits due for City of Philadelphia wage tax will be treated just as it was in 2011 and prior. If they have city wage tax equaled to or greater than their full local liability, they will owe no local tax and would be eligible to receive refund on any local taxes withheld in the suburbs or paid personally by them.