

Starting with tax year 2011, the City of Allentown, under Act 205, enacted a 1.35% tax rate on all residents, and on non-residents who work in the City. You may only claim a credit equal to 1% of the wages earned in Allentown; the additional .35% is kept by the City to be applied to their distressed pension liability.

If you are employed in the City of Allentown, and your employer did not separate the 1% from the .35% on your W-2 form, you may only show 1% of your wages as a credit on your Macungie tax return. NO REFUNDS ARE DUE BASED ON THE AMOUNT OF ALLENTOWN CITY TAX WITHHELD.

Additional filing instructions can be found on the tax return for 2011.