



CITY OF EASTON

PENNSYLVANIA

Keystone Opportunity Zone (KOZ) General Information

- City of Easton (CoE) property owners and tenants (business or residential) located in a KOZ must apply for KOZ exemption by December 31st of each year for which they are seeking an abatement or refund. The application can be found on the PA Department of Community & Economic Development (DCED) website - <https://www.dced.state.pa.us/koz/>
- Per the KOZ guidelines, “All “qualified businesses” and “persons” must be in full compliance with all state and local tax laws, and building and housing code provisions, in order to claim exemptions, deductions, abatements or credits offered in the Act” (full list of requirements here - <http://dced.pa.gov/download/koz-guidelines-2015/?wpdmdl=56929>)
- The Lehigh Valley Economic Development Corporation (LVEDC), on behalf of DCED, forwards the list of applicants to the Easton Area School District, Northampton County and CoE for review. As part of the approval process, these taxing authorities advise the LVEDC/DCED of the status of any outstanding taxes or fees associated with the application
- Once the LVEDC collects the above info (typically by the end of Jan of the following year), they consolidate and forward to DCED for approval or denial of the application. The approved applications generate a letter from DCED to the applicant acknowledging the approval. In addition, the State mails form PA-40 KOZ to qualified applicants by 3/15 of each year
- KOZ approval allows for a reduction or exemption of:
 - State Taxes - Corporate Net Income Taxes, Capital Stock Foreign Franchise Tax, Personal Income Tax, Sales and Use Tax, Bank Shares and Trust Company Shares Tax, Alternative Bank and Trust Company Shares Tax, Mutual Thrift Institutions Tax, Insurance Premiums Tax
 - Local Taxes - Earned Income/Net Profits Tax, Business Gross Receipts, Business Occupancy, Business Privilege and Mercantile Taxes, Local Real Property Tax, Sales and Use Tax (add'l details here - <http://dced.pa.gov/business-assistance/keystone-opportunity-zones/>)
- Abatements and refunds of local CoE taxes are processed as follows:
 - For property owners, the Finance Dept will process an abatement of real estate taxes after receiving notice of approval from the County; in order to avoid a delay in abatement, owners can forward a copy of their DCED approval letter to the CoE Finance Department
 - For Businesses, the Finance Department will process abatements, credits and/or refunds after reviewing submitted returns
 - For Residents, the Finance Department will process EIT refunds after reviewing submitted requests (see separate instructions)



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EIT Refund Instructions

In order to receive an Earned Income Tax (EIT) refund from the City, approved KOZ residents are required to send a copy of both:

- Their approval letter from the State (for the year for which they are requesting a refund)
- Their "Taxpayer Annual Local Earned Income Tax Return" (for the year for which they are requesting a refund) *after* filing with Keystone Collections

Refunds will be issued within 60 days of receipt of the above information, which can be sent to either:

bpschaffer@easton-pa.gov

or

City Of Easton
Attn: Finance Department – KOZ
123 South Third St
Easton, PA 18042

Should you have any questions, please feel free to contact Barry Schaffer at bpschaffer@easton-pa.gov or 610-250-6626.