

## Commuter Credit Allowed

Effective October 1, 2002, the credit allowed by Lancaster for tax paid to another city was changed. It became limited to the lesser of 1% of income earned in the city where the work was done, or the actual tax paid or withheld on income taxable to the work city, **whichever is less**.

We recommend that taxpayers request their employers to withhold the additional Lancaster tax for them as a courtesy. Be aware that it can't be required of employers, but many employers will accommodate such requests.

If an employer that currently doesn't withhold for Lancaster and wants to do courtesy withholding, they may complete a Contractor Business Questionnaire (available in our General Information page) to establish a city withholding account.