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Collingdale Borough Enacts Local Earned Income Tax Effective July 1, 2026

Collingdale Borough recently joined over 230 suburban Philadelphia communities that already collect the local earned income tax, effective July 1, 2026. The tax will be assessed to working Borough residents and non-residents working within in the Borough at 1% of earned income and net profits.

“Many Collingdale Borough residents are already paying the tax in their workplace jurisdiction,” said Joe Lazzaro, Keystone’s Vice President. “The action by Collingdale Borough helps to keep resident tax revenue in their home community.”

Keystone Collections Group, the Act 32 tax officer servicing municipalities and school districts in Delaware County, will be responsible for collecting the tax and distributing the tax funds to Collingdale Borough. Pennsylvania law requires employers to withhold earned income tax beginning on July 1, 2026. Payroll withholding and payment is due from business employers within 30 days after the close of each calendar quarter to avoid statutory violations. Employers must report local payroll taxes online using Keystone’s Business Portal, unless the business engages the services of a payroll servicing company. Business.KeystoneCollects.com

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

Due to the mid-year rate adjustment, earned income and net profits earned from January 1, 2026 through June 30, 2026 will not be taxed. Earned income and net profits earned from July 1, 2026 through December 31, 2026 will be taxed at 1.0%. Information detailing this change will be mailed to both taxpayers and employers in June. Tax forms for annual filing and instructions will also be provided to taxpayers later this year.

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