

RECIPROCAL PERSONAL INCOME TAX AGREEMENT
BETWEEN
COMMONWEALTH OF PENNSYLVANIA
AND
COMMONWEALTH OF VIRGINIA

I. Statement of purpose.

It is the intention of this agreement and the parties hereto:

- A. To relieve employers and employees in the Commonwealth of Pennsylvania and the Commonwealth of Virginia from the withholding of Virginia income tax on compensation paid in Virginia to residents of Pennsylvania and from the withholding of Pennsylvania income tax on compensation paid in Pennsylvania to residents of Virginia;
- B. To relieve Pennsylvania residents from liability for Virginia income tax and the requirement for filing a tax return with regard to compensation paid in Virginia;
- C. To relieve Virginia residents from liability for Pennsylvania income tax and the requirement for filing a tax return with regard to compensation paid in Pennsylvania;
- D. To establish procedures to assist each party in the enforcement of the withholding provisions of the income tax laws of these Commonwealths against employers in the other party's Commonwealth.
- E. To establish procedures for the interchange of Commonwealth tax information between the parties to assist each party in the compliance, administration, and enforcement of its respective income tax laws.

II. Agreements.

In furtherance of their above stated intention and purposes, the parties agree as follows:

- A. Agreements respecting withholding.
 1. No Virginia or Pennsylvania employer shall be required to withhold Virginia income tax from compensation paid in Virginia to a resident of Pennsylvania who files with his employer a certificate of nonresidence unless and until such employer is advised that any such certificate was improperly filed.
 2. No Virginia or Pennsylvania employer shall be required to withhold Pennsylvania income tax from compensation paid in Pennsylvania to a resident of Virginia who files with his employer a certificate of nonresidence unless and until such employer is advised that any such certificate was improperly filed.

3. Every Pennsylvania employer shall, to the extent provided by the Virginia Income Tax Act, be liable to the Commonwealth of Virginia for the withholding of Virginia income tax from compensation paid to residents of Virginia.
 4. Every Virginia employer shall, to the extent provided by the Pennsylvania Income Tax Act, be liable to the Commonwealth of Pennsylvania for the withholding of Pennsylvania individual income tax from compensation paid to residents of Pennsylvania.
 5. Virginia will encourage Virginia employers to withhold and remit Pennsylvania income tax for residents of Pennsylvania employed in Virginia.
 6. Pennsylvania will encourage Pennsylvania employers to withhold and remit Virginia income tax for residents of Virginia employed in Pennsylvania.
 7. For purposes of this agreement "compensation paid in Virginia" is as defined in Section 58-151.1(1) of the Virginia Income Tax Act.
 8. For purposes of this agreement, "compensation paid in Pennsylvania" is defined in Section 301(d) of the Pennsylvania Income Tax Act.
 9. For purposes of this agreement, the term "Pennsylvania employer" means an employer who is subject to the jurisdiction of the Commonwealth of Pennsylvania, and the term "Virginia employer" means an employer who is subject to the jurisdiction of the Commonwealth of Virginia.
- B. Agreements respecting liability for individual income tax and tax return filing.
1. No Pennsylvania resident who signs a nonresident certificate shall be required to pay Virginia income tax or to file a Virginia income tax return on compensation paid in Virginia.
 2. No Virginia resident who signs a nonresident certificate shall be required to pay Pennsylvania income tax or to file a Pennsylvania income tax return on compensation paid in Pennsylvania.
 3. For purposes of this agreement, the term "Pennsylvania resident" means an individual who is a resident as defined in the Pennsylvania Income Tax Act, and the term "Virginia resident" means an individual who is a resident as defined in the Virginia Income Tax Act.
 4. Nothing in this agreement shall be interpreted to exempt a resident of Pennsylvania or Virginia who was a part-year resident of the other Commonwealth from liability for payment of income tax or filing an income tax return with regard to compensation received while a resident of the other Commonwealth.

5. Nothing in this agreement shall be interpreted to exempt a resident of Pennsylvania or Virginia who has taxable income in the Commonwealth of nonresidence other than in the form of compensation from liability for payment of income tax or filing an income tax return with regard to such other taxable income.

III. Agreements respecting exchanges of information.

Each of the parties hereto agrees to furnish the other with the following information at such time or times and in such manner as may be agreed upon between them:

1. The name, address and federal taxpayer identification number of each individual filing an income tax or information return in such party's Commonwealth, which shows an address for such individual in the other party's Commonwealth.
2. The amount of income tax shown as due on each return referred to in subparagraph 1 of this paragraph.
3. The amount and nature of any adjustments made in any item affecting the tax liability of the individual in such party's Commonwealth.
4. Such other information as the parties hereto may from time to time agree upon and as shall be set forth in writing and appended hereto.

IV. Other matters.


- A. If for any reason either party is unable to comply with any one or more of the terms of this agreement, the parties shall mutually agree on the extent to which this agreement shall continue in effect or, in the absence of such mutual agreement, this agreement shall terminate in accordance with the provisions of paragraph V in its entirety without prejudice however, to any action previously taken hereunder.
- B. Each of the parties signatory hereto hereby states and represents that he is authorized to enter into this agreement and to furnish the information and assistance contemplated hereby, and that the fulfillment of his obligations hereunder will not violate any provision of his Commonwealth's constitution or laws, including, without limitation, provisions respecting confidentiality of Commonwealth information.

V. Effective Date.

This agreement is made this 17th, date of Nov. 1982 and shall become effective and operative upon the parties with respect to taxable years beginning after December 31, 1982. This agreement may be terminated by either party signatory hereto upon 90 days written notice to the other party.



State Tax Commissioner
Commonwealth of Virginia



Secretary of Revenue
Commonwealth of Pennsylvania