

Military Installation Remediation Program

2021 Reporting and Information Packet - Contractors

For Calendar Year Reporting January 1 - December 31, 2021

Due on or before September 1, 2022



What is the Military Installation Remediation Program (MIRP)?

The Military Installation Remediation Program ("MIRP") is a program designed for the purpose of improvement and development within designated parcels in a municipality with a former military installation. The program was established in 2019 with the signing of Act 101 of 2019 (HB 1410). The legislation amended the Transit Revitalization Investment District Act.

Act 101 allows state taxes generated on specific parcels to be directed to MIRIA to assist in reimbursement of the cost of remediating PFC contamination associated with military installations. As those remediation costs are reduced, the statute provides a mechanism to secure funding for economic development and infrastructure in and around the former NAS-JRB Willow Grove property.

All qualified taxpayers within designated parcels must complete an annual state tax report by September 1 each year so the Department of Revenue may certify state taxes to be transferred to the MIRP Fund for utilization by the Military Installation Remediation Authority ("MIRIA").

The MIRIA board meets monthly and regularly at 9:00 am on the first Friday of each month at the Horsham Township Municipal Building at 1025 Horsham Road, Horsham, PA 19044.

The MIRP Zone

Act 101 of 2019 by statute, provides certain parcels in Horsham Township may be part of the zone ("MIRP Zone") where PA State Tax Revenue generated on those parcels may be made available to MIRIA.

The MIRP Zone consists of:

- 13 parcels, or about 870 acres, that were part of the former NAS-JRB Willow Grove base property
- 31 parcels encompassing about 836 acres where development rights were restricted as a result of their proximity to NAS-JRB Willow Grove.
- 14 parcels, or about 80 acres, in Horsham Township that were designated by the MIRIA.

Designated parcels may be underutilized or under-valued parcels that may be in close proximity to the NAS-JRB Willow Grove base property or in other areas of Horsham Township where revitalization may be warranted.

In total, the zone is 58 parcels with about 1,787 acres in Horsham Township. This can be amended by the act in the future to remove and/or add parcels.

Why was the MIRP created?

Local communities in close proximity to the former NAS-JRB Willow Grove and the former Johnsville Naval Air Warfare Center have been negatively impacted by PFAS contamination in local water supplies as a result of the use of aqueous film forming foam (“AFFF”) in fire fighting activities and exercises. These communities, their municipal water suppliers and their residents have been required to spend many millions of dollars on remediation efforts and systems, to protect the health and welfare of their communities. In some instances, the Navy the Air National Guard have assisted financially in these efforts but by no means have these communities made whole on remediation costs.

Act 101 of 2019 provided a funding mechanism to reimburse municipal water providers and their rate payers for unreimbursed water remediation costs, for higher rates and surcharges that may have been passed on to the rate payers due to the cost of remediation efforts, and provides a source of funding to connect residents whose private wells were impacted with PFC contamination as a result of their proximity to the bases. As noted above, funding in excess of water remediation cost, may be available for economic development and infrastructure funding.

MIRP Benefits to Horsham:

- A dedicated funding source for economic development and infrastructure projects in and around Horsham Township.
- A strengthened, healthier, and more vibrant community

MIRP Benefits to You:

- A funding mechanism for reimbursement of water remediation costs.
- Funding for connection of private well owners impacted by PFAS to public water supplies.

MIRP Reporting - what do I have to do?

MIRP Zone parcel owners, business owners and contractors doing business on MIRP Zone parcels **will not incur any additional taxes as a result of the MIRP.** However, under Act 101 of 2019, you are required to file an on-line report for the PA Department of Revenue confirming the Pennsylvania taxes you or your business have already paid. Please begin completing your MIRP Zone parcel reporting well in advance of the deadline.

WHAT

By September 1, 2022, parcel owners, business owners and contractors doing business on MIRP Zone parcels, are required to report the cash basis taxes paid to the State for fiscal year 2021.

Reporting is on a **CASH BASIS**...meaning, you report what your business has **actually paid** from January 1, 2021 through December 31, 2021, regardless of what tax year it's for. You must complete and file all forms for 2021 to be received by the Pennsylvania Department of Revenue (DOR) on or **before September 1, 2022. Please begin reporting efforts well before the deadline noted above and maintain evidence of timely filing.**

Below is the MIRP tax report that needs to be filed. Please see the next page for a complete table of applicable state taxes.

Pennsylvania State (Department of Revenue) Form:

MIRP Tax Report - MUST BE FILED ELECTRONICALLY

Electronic filing and instructions will be available at: <https://www.etides.state.pa.us/>

When you are ready to file the MIRP report online, you must sign in using your e-TIDES account number. If you don't have one, please obtain one by following "New Users" registration. **Once you have filed and before signing off, print the state filing for your records (includes a four-digit confirmation number), as you will not be able to sign back on and print a copy.**

What if I have questions and need help?

We are waiting to help you. Here's how you can reach us:

- Make an appointment to come visit our team. We can help you file the forms for FREE.
- Contact Deana Zosky, the MIRP compliance contact by email at deana@four-score.com for questions about reporting. FourScore is a consultant engaged by MIRIA to assist business with their reporting requirements.
- Contact our tax hotline at 484-951-1289 where a tax specialist can answer your questions. Please leave a message if you don't reach us directly and a specialist will respond within 24 hours with help.

MIRP Attributable Tax Summary

Applicable state taxes are noted below.

From this list of taxes, determine which of these taxes your business paid on a cash basis in 2021 and report those payments on the forms.

STATE

Pennsylvania State (Department of Revenue) Taxes:

See Example

1	Employer Withholding Tax - includes MIRP Projects	EWH-MIRP Project
2	Sales & Use Tax paid by contractor for materials for projects in the zone	C-SU

How does the MIRP reporting process work?

REPORTING

START

My business is located in the MIRP or I am a contractor working on a MIRP project.

YES

Business included on master business listing (provided to taxing bodies by June 1, 2022) & required to file state MIRP tax report by Sept 1, 2022 for 2021 calendar year (for cash basis tax payments made during 12 months of calendar year). See list of taxes on page 4.

Qualified business or contractor sends MIRP Tax Report.

To be received by September 1, 2022

CERTIFICATION

Includes all state MIRP attributable taxes.

Certification by December 1, 2022

State (PA Department of Revenue)

Certifies amounts paid less refunds received to the Office of the Budget and then sends money to State Treasurer.

Certifies amounts of local revenue for use for the local effort.

Includes all local MIRP effort.

Certification by June 1, 2022

Local (Horsham Township)

STATE TREASURER

MIRP Revenues sent from General Fund to MIRP Fund.

Within 10 days of receiving instructions from Office of Budget

OFFICE OF BUDGET

Directs State Treasurer to transfer amount certified from General Fund (limited to 500% of local effort) to MIRP Fund (MIRP Revenues).

Within 5 days of receiving certification

HORSHAM MIRIA AUTHORITY

Distributes money to proper accounts based on approved process and guidelines.

This process is repeated each year. The process allows tax money paid to state and local effort funds to be sent to MIRIA Authority for remediation and economic development.

By April 15, 2023

Excess Money (Remaining monies returned to state taxing body.)

TBD by MIRIA Authority

MIRP Revenues

Authority flexibility

**PA Employer Withholding Tax - MIRP Project
2021**
Example Company, Inc.
Payroll Taxes Paid from 1/1/2021 to 12/31/2021

Example
EWH-MIRP
Project

PLEASE COMPLETE A SEPARATE MIRP REPORT (UNIQUE LOCATION NUMBER) FOR EACH MIRP PROJECT ADDRESS

Example Company, Inc. is working on a MIRP project as a contractor. They have two people working on the project. Each of the people working on the project are spending a different percentage of their hours working on the project. The taxes paid related to the hours worked on the project that were remitted to the PA Dept. of Revenue, using Form PA-W3 (Employer Quarterly Return of Withholding Tax), in January (Q4-2020), April (Q1-2021), July (Q2-2021) and October (Q3-2021) totaled \$805.88 for the year.

	Working on MIRP Project	Gross Wages	Withholding @ 3.07%	Percentage of total time working on MIRP project	Gross Wages related to MIRP project	Withholding @ 3.07%
Employee #1	n	\$ 42,000.00	\$ 1,289.40	0%	\$ -	\$ -
Employee #2	n	\$ 34,000.00	\$ 1,043.80	0%	\$ -	\$ -
Employee #3	y	\$ 30,000.00	\$ 921.00	65%	\$ 19,500.00	\$ 598.65
Employee #4	y	\$ 15,000.00	\$ 460.50	45%	\$ 6,750.00	\$ 207.23
		\$ 121,000.00	\$ 3,714.70		\$ 26,250.00	\$ 805.88

Total Tax Payments Made

All Pennsylvania Locations (Column A)
 \$ 3,714.70 Total tax remitted in the form of a payment, received by the department for consolidated employer withholding.

MIRP Location (Column B)
 \$ 805.88 Total employer withholding attributable to the MIRP Project.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)
 \$ 0 Refunds granted attributable to consolidated employer withholding.

MIRP Location (Column B)
 \$ 0 Refunds granted attributable to the MIRP Project.

**Sales and Use Taxes paid on the purchase of materials
used in construction in MIRP (MIRP Project)
2021
Example Company, Inc.
Sales and Use Taxes paid from 1/1/2021 to 12/31/2021**

Example
C-SU

NOTE: Taxpayer must maintain evidence of invoices to support amount reported and have the Invoice Date, Invoice Number, Purchase Amount, and Tax Paid available for input at time of filing.

Invoice Date	Invoice Number	Purchase Amount	Sales Tax Paid	Vendor listed on Invoice
2/15/21	12568	\$1,700,000.00	\$102,000.00	US Steel
3/7/21	1257	\$750,000.00	\$45,000.00	Acme Lumber Co.
4/15/21	18825	\$125.00	\$7.50	Home Depot
Total		\$2,450,125.00		
MIRP Project		TOTAL	\$147,007.50	

*NOTE: Included above should be total payments of sales tax on an invoice to a vendor or supplier and/or payments to Pennsylvania for use tax on invoices not charging sales tax.

NOTE - Columns A & B are the same as this is the tax paid for the MIRP Project (each MIRP Project should be reported separately using the approved MIRP Project Address).

Total Tax Payments Made

All Pennsylvania Locations (Column A)

\$ 147,007.50 Total tax remitted in the form of a payment, received by the department for consolidated tax type identified above.

MIRP Project (Column B)

\$ 147,007.50 Total tax type identified above attributable to the location within the MIRP.

Total Tax Refunds Received

All Pennsylvania Locations (Column A)

\$ 0 Refunds granted for consolidated tax type identified above.

MIRP Project (Column B)

\$ 0 Refunds granted for tax type identified above attributable to the location within the MIRP.