



OFFICE OF THE CHIEF COUNSEL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

February 18, 2010

Number: INFO 2010-0014  
Release Date: 3/26/2010

CONEX-104728-10

UIL: 3402.19-00

Dear :

I am forwarding correspondence we received from Representative Christopher Carney, on behalf of his constituent,

is seeking an agreement with the Department of the Treasury under Section 5220 of Public Law 93-340 to permit them to deduct the Local Services Tax from the paychecks of employees for the Federal Correctional Institution. I understand that your office is responsible for handling these requests. I have provided with contact information for the Financial Management Service.

Thank you for your assistance. If you have a question or need additional information, please of my staff at

Sincerely,

Lynne Camillo  
Branch Chief, Employment Tax Branch 2  
(Exempt Organizations/ Employment Tax/  
Government Entities)  
(Tax Exempt and Government Entities)

Enclosure



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The Honorable Christopher Carney  
Member, U.S. House of Representatives  
175 Pine Street  
Suite 103  
Williamsport, PA 17701

Attention:

Dear Congressman Carney:

I am responding to your inquiry dated December 16, 2009, on behalf of your constituent, [redacted]. You wrote that that [redacted] is experiencing a problem with collecting [redacted] Local Services Tax from employees at the [redacted] Federal Correctional Institution. The Township would like to collect this tax via payroll deductions.

To have a tax taken out of an employee's paycheck, a local taxing authority must: (1) have a minimum of 500 federal employees and (2) enter into an agreement with the Department of Treasury (Section 5620 of Public Law 93-346). The proper office at the Department of the Treasury for handling these kinds of requests is the Financial Management Service.

I have forwarded your constituent's letter to Financial Management Service (FMS). If your constituent wishes to contact Financial Management Service, they can call FMS Legislative Affairs at (202) 874-6760, or contact Tom Longnecker at (202) 874-1229. They can also write to FMS at:

Melody Barret  
Director- Legislative and Public Affairs Department of the Treasury Financial  
Management Service  
401 14th St.  
Washington, DC 20227

Fax: (202) 874-7016

I hope this information is helpful. If you have any questions, please contact me or  
of my staff at

Sincerely,

Lynne Camillo  
Branch Chief, Employment Tax Branch 2  
(Exempt Organizations/ Employment Tax/  
Government Entities)  
(Tax Exempt and Government Entities)