



Penn Township Board of Commissioners

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www.penntwp.com

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PENN TOWNSHIP LOCAL SERVICES TAX INSTRUCTION SHEET

Enclosed are the forms for the Township of Penn, LOCAL SERVICES TAX. This tax was authorized under Act 7 of 2007, Penn Township Ordinance No. 672.

(1) LS FORM 1 (1 copy enclosed). **Please make as many copies of this form as needed.** The LS Form 1 can also be found at www.penntwp.com under forms. Employers are required to remit local services taxes thirty days after the end of each quarter of a calendar year. Each employer shall prepare and file a return showing a computation of the tax. If an employer fails to file the return and pay the tax, whether or not the employer makes collection thereof, the employer shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer. The following information needs to be supplied to Penn Township: the employer's name, employer's address, the first and last name of all employees paid for the year, the reported quarter's wages, the year to date wages, the amount of tax collected for each employee for the quarter, the amount of tax collected for the employee for the year, verification if the employee has filed an exemption certificate, and if the employer is the primary employer.

(2) Each employer within Penn Township, as well as those employers situated outside Penn Township but who engage in business within Penn Township, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within Penn Township and making a return and payment thereof to the tax Collector.

(3) The Tax is \$52.00. A person subject to the tax shall be assessed by the employer a pro rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro rata share of the tax assessed on the person for a payroll shall be determined by dividing the rate of the tax levied for the calendar year by the number of payroll periods established by the employer for the calendar year.

(4) A person seeking to claim an exemption from the tax may annually file an exemption certificate (**LST Exemption Certificate enclosed**) and all supporting documentation with Penn Township and with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within Penn Township of less than \$12,000 in the calendar year for which the exemption is filed. Upon receipt of the completed exemption certificate and until otherwise instructed by Penn Township the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish new employees with a form at the time of hiring. Upon notification to an employer by the person or by Penn Township that the person has received earned income and net profits from all sources within Penn Township equal to or in excess of \$12,000 in the calendar year or that the person is otherwise ineligible for the tax exemption for that calendar year, or upon an employer's payment to the person of earned income within Penn Township in an amount equal to or in excess of \$12,000 in the calendar year, an employer shall withhold the local services tax from the person. The employer shall withhold from the person, for the first payroll period after receipt of the notification of eligibility a lump sum equal to the amount of tax that was not withheld from the person due to the exemption claimed plus the per payroll amount due for that first payroll period. The amount of tax withheld per payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. Exemption certificates may be filed for individuals having multiple employers, active duty military exemption, and military disability exemption.

(5) In cases of concurrent employment, an employer shall refrain from withholding the tax if the employee provides a recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of the Local Services tax withheld and a statement from the employee

that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in a principal place of employment within two weeks of its occurrence.

(6) Penn Township shall provide a taxpayer a receipt of payment upon request by the taxpayer.

(7) Each self employed individual who performs services of any type or kind or engages in any occupation or profession within a primary place of employment within Penn Township shall be required to comply with this Ordinance and pay the pro rate portion of the tax due to the tax Collector on or before the thirtieth day following the end of each quarter.

(8) If for any reason the tax is not paid when due, interest at the rate of 6% on the amount of such tax shall be calculated beginning with the due date of the tax and a penalty of 5% shall be added to the flat rate of such tax for nonpayment thereof.

(9) Exemption Certificate applications (**LST Exemption**) and Refund applications (**LST Refund**) are available at both the Tax Collector's Office and the Penn Township Municipal Office or at www.penntwp.com under forms. Enclosed is a copy of each, copies should be made as needed. Refund applications list the requirements for who is eligible for a refund.

PENN TOWNSHIP BOARD OF COMMISSIONERS
Karen M. Little, Tax Collector