

## INSTRUCTIONS

As an employer, you are required to deduct Local Services Tax (LST) from the wages of each full or part time employee. As an employer, if you are receiving any compensation from the business, you are considered an employee and must also pay the LST. You as the employer have the choice to deduct the \$52.00 all in the 1<sup>st</sup> quarter or be deducted from each pay, based on \$52 divided by the number of annual pay periods. If paying quarterly, you are to file a return each quarter, due on the 30th day after the end of the quarter and attach a list of all of the employees who have paid in that period. The employee list must state the employee's name, social security number, and/or address. You must also give the employee evidence of the deduction (i.e., pay stub).

Self-employed people, commission salespeople, and independent contractors in like positions are to be considered employees for the purpose of this tax. If you, as the employer, fail to deduct the tax, you are responsible for same as though you did deduct.

The Ordinance governing this tax contains a \$12,000 low income exemption per tax year. The employee may present an Exemption Certificate if they can prove that they earned less than \$12,000 in the taxing municipality in the prior year. Once the employee earns \$12,000, in the taxing municipality, the employer will deduct all taxes due from the beginning of their employment in the taxable year to the current pay period. You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund, and collection of local taxes by calling Tredyffrin Township at (610) 408-3608 during the hours from 8:00 a.m. to 4:30 p.m. Monday through Friday.