

INSTRUCTIONS FOR THE LOCAL SERVICES TAX (LST)
(COMPLETE ORDINANCE IS ON FILE AT THE SOUTH PARK TWP. ADMINISTRATIVE OFFICE)

1. DESCRIPTION: THIS LOCAL SERVICES TAX (LST) REPLACES THE E&MST TAX. THE TAX REMAINS AT \$52.00 PER EMPLOYEE. THE TAX IS TO BE DEDUCTED BY DIVIDING THE \$52.00 AMOUNT OVER THE NUMBER OF PAYROLL PERIODS IN A CALENDAR YEAR.

EMPLOYERS MUST SUBMIT THE LOCAL SERVICES TAX (LST) TO SOUTH PARK TOWNSHIP ON A QUARTERLY BASIS IN ACCORDANCE WITH THE SAME SCHEDULE AS EARNED INCOME TAX PAYMENTS.

2. EXEMPTION: AN EMPLOYEE IS EXEMPT FROM PAYING THE \$52.00 LST TAX IF THEY EARN LESS THAN \$12,000 FROM ALL SOURCES OF INCOME IN SOUTH PARK TOWNSHIP WITHIN A CALENDAR YEAR. IT MUST BE NOTED ON THE FRONT OF THIS FORM THE SOCIAL SECURITY NO., NAME AND ADDRESS OF EACH EXEMPT EMPLOYEE. A COPY OF PA40, MUST BE SUBMITTED BY EMPLOYEE IN ORDER TO RECEIVE A REFUND IF TOTAL EARNINGS FROM ALL SOURCES IN SOUTH PARK TOWNSHIP IS LESS THAN \$12,000.00. ANY EMPLOYEE WHO WILL BE EARNING LESS THAN \$12,000.00 IN A CALENDAR YEAR MUST ANNUALLY COMPLETE AN EXEMPTION CERTIFICATE AT THE BEGINNING OF EACH YEAR. THE EXEMPTION CERTIFICATE MUST BE FILED WITH THE EMPLOYER AND SOUTH PARK TOWNSHIP. THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT DEVELOPED A STANDARDIZED EXEMPTION CERTIFICATE TO BE USED BY ALL TAXING ENTITIES. A COPY OF THIS EXEMPTION CERTIFICATE IS ENCLOSED. IT IS ALSO AVAILABLE ON THE WEB SITE www.newPA.com. FOLLOW THE MENU STEPS: LOCAL GOVERNMENT SERVICES, LOCAL TAX INFO, LOCAL SERVICES TAX. UPON RECEIPT OF THE EXEMPTION CERTIFICATE, THE EMPLOYER SHALL NOT WITHHOLD THE TAX FROM THE PERSON DURING THE CALENDAR YEAR FOR WHICH THE EXEMPTION CERTIFICATE APPLIES. THE FOLLOWING PERSONS SHALL ALSO BE EXEMPT FROM THE LST TAX.

- A. ANY PERSON WHO IS AN HONORABLY DISCHARGED VETERAN WITH 100% SERVICE-CONNECTED DISABILITY.
- B. ANY PERSON ON ACTIVE DUTY.

3. EMPLOYERS RESPONSIBLE: ANY EMPLOYER IN THE TOWNSHIP OF SOUTH PARK, AS WELL AS THOSE EMPLOYERS SITUATED OUTSIDE THE TOWNSHIP OF SOUTH PARK THAT EMPLOY PEOPLE IN THE TOWNSHIP, IS CHARGED WITH THE DUTY OF COLLECTING FROM EACH OF HIS OR HER EMPLOYEES THE \$52.00 LST TAX, AND FILING A RETURN WITH PAYMENT TO SOUTH PARK TOWNSHIP.

4. NEW EMPLOYEES WHO ARE HIRED THROUGHOUT THE YEAR BY THE EMPLOYER AND WHO EARN IN EXCESS OF \$12,000.00 ANNUALLY, SHALL HAVE THE LST TAX DEDUCTED BY THE EMPLOYER ON A PRO RATA BASIS FROM THE DATE OF HIRE PROCEEDING FORWARD FOR THE REMAINDER OF THE CALENDAR YEAR. THERE IS NO "CATCH-UP" PROVISION IN THE NEW LEGISLATION.

5. SELF-EMPLOYED INDIVIDUALS: ALL SELF-EMPLOYED INDIVIDUALS WHO PERFORM SERVICES OF ANY KIND OR TYPE, AND ENGAGE IN ANY OCCUPATION, PROFESSION, OR CONSULTING SERVICES WITHIN THE TOWNSHIP OF SOUTH PARK, AND EARN IN ACCESS OF \$12,000.00, SHALL BE REQUIRED TO COMPLY WITH THIS ORDINANCE AND PAY THE TAX ON A PER PAYROLL PERIOD. IF EARNINGS ARE LESS THAN \$12,000.00 AN EXEMPTION CERTIFICATE MUST BE FILED.

6. PENALTY AND INTEREST: IF THE TAX IS NOT PAID WHEN DUE, A PENALTY OF 6% PER ANNUM SHALL BE CALCULATED, BEGINNING WITH THE DUE DATE OF THE LST TAX, AND INTEREST AT THE RATE OF ONE HALF PERCENT (1/2%) PER MONTH SHALL BE ADDED TO THE FLAT RATE OF THE LST TAX FOR NON-PAYMENT.

7. FAILURE TO RECEIVE NOTICE: THE FAILURE TO RECEIVE NOTICE OF THE LST TAX ORDINANCE SHALL NOT RELIEVE ANY PERSON SUBJECT TO THIS ORDINANCE FROM THE PAYMENT OF ANY TAXES IMPOSED BY SOUTH PARK TOWNSHIP, AND SUCH TAXPAYER SHALL BE CHARGED WITH THE TAXES AS THOUGH THEY RECEIVED NOTICE.

8. TAX BILL OF RIGHTS: A TAXPAYER BILL OF RIGHTS IS ON FILE AT THE ADMINISTRATIVE OFFICES OF SOUTH PARK TOWNSHIP FOR REVIEW.

9. EMPLOYERS SHALL BE RESPONSIBLE FOR RETAINING A COPY OF ALL EXEMPTION CERTIFICATES FILED BY EMPLOYEES WITHIN A GIVEN CALANDER YEAR FOR A MINIMUM OF THREE (3) YEARS. EMPLOYERS WHO HAVE FAILED TO WITHHOLD THE LOCAL SERVICES TAX FROM AN EMPLOYEE OR EMPLOYEES, AND DO NOT HAVE COPIES OF THE EMPLOYEE EXEMPTION CERTIFICATE OR CERTIFICATES, WILL BE HELD RESPONSIBLE FOR THE PAYMENT OF THE LOCAL SERVICES TAX AS IF THE TAX HAD BEEN ORIGINALLY LEVIED AGAINST THE EMPLOYER.

10. EXTRA COPIES OF FORM LST: ADDITIONAL COPIES OF THIS FORM CAN BE OBTAINED BY A REQUEST TO: SOUTH PARK TOWNSHIP ADMINISTRATION OFFICE, 2675 BROWNSVILLE ROAD, SOUTH PARK, PA 15129.