

### **Local Services Tax General Info**

- Effective in Lititz Borough beginning January 1, 2010
- Employers must withhold the tax based on the number of annual payroll periods (ex: biweekly payroll must be withheld at \$2 per payroll/ 26 times annually)
- Employers are required to submit the tax quarterly. Due dates are:

1 <sup>st</sup> Quarter due April 30	3 <sup>rd</sup> Quarter due October 31
2 <sup>nd</sup> Quarter due July 31	4 <sup>th</sup> Quarter due January 1
- If an employee resigns or is terminated during the year, the employer is not responsible for collecting the remainder of the tax.
- If an employee has multiple employers, the *primary* employer should deduct the tax. The employee is responsible for completing an exemption form which should be filed with the non-primary employer to avoid having the tax deducted by both employers. If the employee fails to do so and the tax is deducted by both employers, it is the responsibility of the employee to file for a refund at the end of the year.
- Exemptions/refunds are available for the following reasons (all exemption/refunds must provide supporting documentation):
  - \*Earns less than \$12,000
  - \*Multiple employers
  - \*Active Duty Military
  - \*Military Disability (100% disability only)
- Self-Employed Individuals must comply by April 30 or as soon as the \$12,000 minimum is met . (Self-employed individuals may pay quarterly as Employers do, or they may pay in one lump sum).