



MuniServices, LLC.
Lakeside Professional Campus
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NOTICE TO BENSALEM TOWNSHIP EMPLOYERS

Local Service Tax (LST)

(Formerly the Emergency and Municipal Services Tax)

Pennsylvania ACT 7 of 2007 amends the Local Tax Enabling Act, Act 511 of 1965, to make the following major changes to the Emergency and Municipal Services Tax (EMST) effective for tax year 2008.

ACT 7 of 2007 signed into law by Governor Edward G. Rendell, renames the "Emergency and Municipal Services Tax" (enacted by Act 222 of 2004) to "Local Services Tax".

The employer shall not deduct the \$52 LST at the beginning of the year from the employee. The combined rate of tax levied by Bensalem Township and Bensalem School District is \$52 (\$47 Bensalem Township / \$5 Bensalem School District). The tax is to be deducted evenly from employee pays throughout the year. An employee who is paid weekly would see the tax deducted at the rate of \$1 a week, while an employee who is paid bi-weekly would pay \$2 every pay period.

The situs of the LST shall be the place of employment but in the event a person is engaged in more than one occupation or municipality at the same time, the priority of claim to collect such tax shall be the municipality in which a person is principally employed. Proof of deduction is required to be submitted to the secondary employer by the employee so that they can be exempted from having the LST deducted by two employers.

Pennsylvania ACT 7 also provides for an upfront exemption when:

- ∇ Total Earned income from all sources within Bensalem is less than \$12,000.
Note: this exemption only applies to the Bensalem Township portion (\$47) of the combined \$52 LST rate.
- ∇ On active duty in United States Military.
- ∇ Employee is an honorably discharged veteran with 100% service-connected disability.



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An Annual upfront exemption certificate must be completed by the employee and submitted to their employer to qualify for these exemptions. The employer is required to have the Exemption Certificate available for employees to complete. An exemption certificate can be obtained at www.MuniServices.com. A copy should be forwarded to the tax collector MuniServices, LLC and the employee should keep a copy.

Employers must report the total tax due and withheld on a form LST-1. The LST-1 form is to be accompanied by a list of employees from whom the tax has been withheld.

The tax payments must be paid to the Tax Collector thirty (30) days after the close of each quarter of a calendar year. Collection of the tax shall be made on a payroll period basis for each payroll period in which the taxpayer is engaged in an occupation.

If an employer is unable to withhold the tax from any employee because of insufficient income, prior payment, etc. it is necessary for the employer to account for all employees from whom he was unable to withhold the tax by supplying the following information; name and address of employee, gross wages earned during tax period, period worked, and reason tax was not withheld.

Employers must submit at year end a summary of employee name, wages, social security number, address and the total amount paid for the year with the 4th quarter LST payments.

To obtain more information on the Local Service Tax please contact MuniServices, LLC at 800-627-3491 x4040 or visit our website at www.MuniServices.com. You can also get information and forms at the Bensalem Township Municipal Building, located 2400 Byberry Road, Bensalem, PA or by calling 215-633-3721.

Regards,
MuniServices, LLC
Tax Collector for Bensalem Township and School District