



# RICHLAND TOWNSHIP

1328 California Road, Suite A • Quakertown, PA 18951 • 215-536-4066 • Fax 215-538-3020

## Richland Township Local Services Tax

### FORWARD TO YOUR PAYROLL DEPARTMENT IMMEDIATELY

On November 26, 2007, the Richland Township supervisors passed Ordinance #234, replacing the Emergency and Municipal Services Tax with the Richland Township Local Services Tax. This tax is levied on each individual for the privilege of engaging in an occupation within the Township boundaries.

Each **Employer** within the Township and each employer outside the Township, but who engages in business, hires or employs individuals in the Township is required to:

- i. Collect from each of his employees required to pay the Tax under this Ordinance (Ordinance #234) the said tax of **Fifty-Two Dollars (\$52.00)** per year. Any employee with total earnings from all sources within Richland Township of at least \$12,000.00 per taxable year is required to pay the tax.
- ii. Prepare and file an "Employer's Return" (which is to be provided by the Tax Collector) on all employees required to pay the tax. Failure of the Tax Collector to supply the form to the Employer **does not** relieve the Employer from collecting and remitting the tax.
- iii. Make payment of the tax to Tax Collector with the return.
  - a. Each employer is hereby authorized to withhold the tax from the wages, salary, commissions, or other form of compensation made to employees. A deduction of an equal portion of the tax should be withheld for each payroll period in which the person is employed. (For example: an employee paid on a weekly basis would have a deduction of \$1.00 per pay period.)
  - b. The employer shall file a quarterly return along with a payment of tax upon the following schedule for each taxable period:

<u>Taxable Period</u>	<u>Due Date</u>
January 1 - March 31	April 30
April 1 - June 30	July 30
July 1 - September 30	October 30
October 1 - December 31	January 30

- c. Every employer who willfully or negligently fails or omits to make the deductions required by this Ordinance and pay the tax shall be liable for payment of the tax not deducted from the employee.

- d. An Employer is relieved from withholding this tax for any employee who has submitted a "Local Services Tax-Exemption Certificate" to the employer, which the employer has forwarded to the Tax Collector, until such time as the Tax Collector instructs the employer to resume withholding the tax or until such time as the employee's earnings reach \$12,000.00 for the year. When collection is resumed an additional amount shall be withheld immediately equal to the pay period withholding rate times the number of prior pay periods.
- e. Employers shall furnish each new employee with the exemption request form at hiring and shall provide the forms to employees upon request. A copy of the form is enclosed and may be duplicated. Additional copies may be obtained from Richland Township, Richland Township's web-site at [www.richlandtownship.org](http://www.richlandtownship.org), or the Pennsylvania web-site at [www.newpa.com](http://www.newpa.com).
- f. The failure of employer to make the deduction required under this Ordinance shall not relieve any employee from payment of said tax.

**NOTE TO EMPLOYERS:**

To simplify the filing process, employers must submit a list of employees including name, address, social security number, and amount of tax deducted for each employee.

When submitting the employee list, they must be accompanied by an "Employer's Return" form with all the company information completed. If the local company is a subsidiary of another company, the Richland Township company's name and address must appear on the "Employer's Return" form to ensure proper posting of payment.

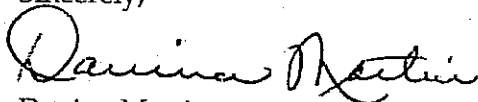
Enclosed are the proper forms that must be completed in order to comply with the ordinance. You may reproduce these original forms and submit copies.

All completed forms should be mailed to:

Richland Township  
1328 California Road, Suite A  
Quakertown, PA 18951

Should you have any questions, please feel free to contact our office.

Sincerely,



Davina Martin  
Treasurer

Enclosures:

Local Services Tax-Exemption Certificate  
Employer's Return  
Local Services Tax-Refund Application  
Ordinance