

Local Services Tax

On December 19, 2005, the Lower Providence Township Board of Supervisors adopted an ordinance that replaced the Occupational Privilege Tax (OPT) with the Emergency and Municipal Services Tax (EMST). Under legislation approved by the Commonwealth of Pennsylvania, this tax will cover the costs of services, such as police, fire, ambulance, and road construction and maintenance. On June 27, of 2007, Governor Rendell signed Act 7 of 2007, which makes changes to the Emergency and Municipal Services Tax that take effect for the 2008 tax year.

The major amendments are as follows:

- The name of the tax is changed to "Local Services Tax".
- Includes a provision for upfront exemption for employees anticipating income and profits to be less than the \$12,000 threshold
- Provides for a pro-rate withholding of the tax not to exceed \$1.00 per week.

Lower Providence Township's Ordinance #566 was enacted on November 15, 2007 incorporating these changes.

All individuals who are **employed** in Lower Providence Township are required to pay an annual tax of no more than \$52.00 (\$1.00 per week). Of the \$52.00, Lower Providence Township will retain \$47.00 and Methacton School District will retain \$5.00. Employees are exempt from paying the EMST in any calendar year in which they earn less than \$12,000 or if they are under to age of eighteen.

Lower Providence Township has contracted with Berkheimer Tax Administrator, Inc. for the collection of the Local Services Tax. For additional information, guidelines and documents, please refer to the Berkheimer Tax Administrator, Inc. website at <http://www.hab-inc.com/content/> or contact the corporate office at:

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Bangor PA - 18013
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Hours: M-F 8:00am to 4:30pm