

Business Privilege Tax/Mercantile Tax Return Instructions

Self Calculating Version of this form is available on the Township's website: www.lowermerion.org

THIS FORM IS MACHINE READ. PLEASE PRINT CLEARLY.

INDICATE NEGATIVE NUMBERS WITH A MINUS SIGN OR BY CHECKING THE BOX NEXT TO THE LINE

ALL NUMBERS MUST BE ROUNDED TO THE NEAREST WHOLE DOLLAR OR FORM WILL BE REJECTED

TOWNSHIP EXTENSION REQUESTS

We **do not** automatically accept Federal or State filing extensions. Requests for extensions to file must be in writing and received in the Township's Finance Department or postmarked by April 15, 2019 along with a check for at least 80% of the total amount due. Taxpayers approved for an extension must file the completed 2018 tax return by October 15, 2019. Extensions do not extend the due date for tax payments. Any amount paid after April 15, 2019 will be assessed Interest of 1.5% per month. Penalty will apply if the completed return is not received by October 15, 2019 or if amount paid with a timely extension request is below the 80% threshold.

LINE 1 – BUSINESS PRIVILEGE GROSS RECEIPTS: Enter receipts from services, investments and other income.

1. If the business' sole location or corporate office is **INSIDE** the Township, use the list below to determine the gross receipts. **You must include the applicable tax return page(s) listed below with your Township Tax Return or a Processing Notice will be issued.**
2. If the business has multiple locations **and** its corporate offices are located **OUTSIDE** of the Township, a profit and loss statement must be attached to this tax return to verify gross receipts reported for the Township location.

IF YOUR FEDERAL RETURN IS:

Schedule C	(Sole Proprietor)
Schedule C-EZ	(Sole Proprietor)
Schedule E	(Rental Properties)
Form 1120	(C Corporation)
Form 1120S	(S Corporation)
Form 1065	(Partnership)
Form 8825	(Rental Properties)

ADD ALL LINES BELOW FROM YOUR FEDERAL TAX RETURN TO DETERMINE TOTAL GROSS RECEIPTS:

Page 1 - Lines 3 and 6	Also include any capital gains from 4797 if applicable.
Page 1 - Line 1	
Page 1 - Line 3 and 4.	Also include any capital gains from 4797 if applicable.
Pages 1 and 5 - Lines 1C and 4-10; Page 5 - Line 7	tax-exempt interest
Page 1 - Lines 1C, 4 and 5; Page 3 Schedule K - Lines 3a, 4, 5a, 6, 7, 8a, 9, 10 and Page 4 Lines 16a and 16b	
Page 1 - Lines 1C and 4-7; Page 4 - Lines 3a, 5, 6a, 7, 8, 9a, 10, 11, 18a, and 18b	
Page 1 - Line 2 - (Gross Rents).	Also submit above pages of Form 1120S or 1065

LINE 2/LINE 10 - EXCLUSIONS – If a complete explanation and documentation are attached to this return certain gross receipts **MAY** be excludable including:

1. Gross Receipts taxed in another municipality and/or state. (Must attach copies of other municipality's and/or state's tax return and proof of payment). Exclusions for receipts taxed in other states may need to be apportioned using an equal weighted three factor apportionment or an alternate method approved in advance by the Township. **Philadelphia statutory exclusion must be subtracted from any receipts excluded for Philadelphia unless taxpayer maintains a bona fide base of operations within Philadelphia.**
2. Gross Receipts generated at **physical** locations owned and maintained by a business outside of Lower Merion Township. In certain circumstances apportionment may be required please consult the Township's business tax regulations
3. Special situations as per the Township of Lower Merion Business Tax Regulations, Ordinance and State Law.
4. The gross receipts reported under the Business Privilege tax section may be excluded from the Mercantile tax section and vice versa.

LINE 9 – MERCANTILE GROSS RECEIPTS – Enter only receipts from retail, wholesale and restaurant activities here. All other receipts such as interest, rent or receipts from repair or installation services may need to be included in the Business Privilege Section of Form.

1. If the business' sole location or corporate office is **INSIDE** the Township, use the list below to determine the gross receipts. **You must include the applicable tax return page(s) listed below with your Township Tax Return or a Notice will be issued.**
2. If the business has locations **OUTSIDE** or in addition to the Township location, a profit and loss statement must be attached to this tax return to verify gross receipts reported for the Township location.

IF YOUR FEDERAL RETURN IS:

Schedule C	(Sole Proprietor)
Schedule C-EZ	(Sole Proprietor)
Form 1120	(C Corporation)
Form 1120S	(S Corporation)
Form 1065	(Partnership)

USE LINE BELOW FROM YOUR FEDERAL TAX RETURN TO DETERMINE TOTAL GROSS RECEIPTS:

Page 1 - Line 3
Page 1 - Line 1C
Page 1 - Line 1C
Page 1 - Line 1C
Page 1 - Line 1C

Small Taxpayer Relief from Estimated Payments – Businesses with gross receipts of \$25,000 or less for the tax year that cannot exclude more than \$1,000 of gross receipts from any source outside of the Township are not required to make an estimated tax payment on lines 5 and/or 13 of the return. Payment of the actual tax due is still required.

Taxpayers Rights:

Taxpayers are entitled to receive a written explanation of their rights with regard to the assessment, audit, appeal, enforcement, refund, and collection of certain taxes administered by the Township. A written explanation entitled *Township of Lower Merion Taxpayers Bill of Rights Disclosure Statement* has been prepared for this purpose and is available without charge from the Township. A copy may be printed from the Township's website www.lowermerion.org, or requested in person, by telephone (610-645-6142) or via mail.