

Instructions for Filing Business Privilege Tax/Mercantile Tax Return

Fill in and Self Calculating Versions of this form are 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

EXTENSIONS: Federal or State filing extensions do not extend the deadline to file Township business tax returns. Requests for extensions of time to file must be in writing and received in the Township's Finance Department or postmarked by April 18, 2011 along with a check for at least 80% of the total amount due. Taxpayers approved for an extension must file the completed 2010 tax return by October 17, 2011. Interest of 1.5% per month will be assessed against any unpaid balance. Penalty will apply if the completed return is not received by October 15, 2011. **Extensions must be postmarked or received by April 18, 2011.**

LINE 1 – BUSINESS PRIVILEGE GROSS RECEIPTS: (Enter all receipts from the provision of services here).

1. If the business' sole location or corporate office is **INSIDE** the Township, use the list below to determine the gross receipts. **Please attach the required page(s) listed below to the back of the Business Privilege Tax Return.**
2. If the business has multiple locations and it's 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)
Form 1099	(Sole Proprietor)

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

Page 1 - Lines 3 and 6
Page 1 - Line 1
Page 1 - Line 3
Page 1 - Lines 1C and 4-10; Page 4/5 – Schedule M-1 Line 7 tax-exempt interest
Page 1 - Lines 1C, 4 and 5; Page 2 Schedule K - Lines 3a, 4, 5a, 6, 7, 8a, 9, 10 and
Page 3 - Lines 16a and 16b
Page 1 - Lines 1C and 4-7; Page 4 - Lines 3a, 5, 6a, 7, 8, 9a, 10, 11, 18a, 18b
and 20a
Line 2 - (Gross Rents). Also submit Form 1120S or 1065
Box 7 - (Non-employee Compensation)

LINE 2/LINE 10 - EXCLUSIONS – If documentation is attached to this tax return, gross receipts **MAY** be excludable for the following:

1. Gross Receipts paid to another municipality and/or state. (Must attach a copy of the other municipality's and/or state's tax return and proof of payment). Exclusions for state income taxes paid by Township businesses in other jurisdictions may need to be apportioned using the PA three factor apportionment or some alternate approved method.
2. Gross Receipts generated in the business' other **physical** locations outside of Lower Merion Township unless business is based in the Township. (Must attach a profit and loss statement for the Township of Lower Merion location).
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 any receipts from retail or wholesale activities here.

1. If the business' sole location or corporate office is **INSIDE** the Township, use the list below to determine the gross receipts. The appropriate Federal tax return listed below must be attached to this tax return to verify gross receipts reported. **Please attach the required page(s) listed below to the back of the Business Privilege Tax Return.**
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)
Form 1099	(Sole Proprietor)

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

Page 1 - Line 3
Page 1 - Line 1
Page 1 - Line 1C
Page 1 - Line 1C
Page 1 - Line 1C
Box 7 - (Non-employee Compensation)

LINE 5/LINE 13- 2011 Estimated Tax Payment - Small Taxpayer Relief – If the business has gross receipts of \$25,000 or less for the tax year and cannot exclude more than \$1,000 of gross receipts from any source outside of the Township, an estimated tax payment (Line 8) is not 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 requested in person, by telephone (610-645-6142) by mail or on the Township's website www.lowermerion.org.