

**DUTIES AND RESPONSIBILITIES OF SELF-EMPLOYED INDIVIDUALS AND PARTNERS**

*(continued)*

partners are subject to the tax at the point in which the business achieves \$1,000 in gross receipts.

- B. The duties of self-employed individuals and partners are the same as those of employers with respect to collection and payment of tax and filing of tax forms. (See regulation 6, listed under Duties and responsibilities of the Employer.)

**8. DUE DATES OF TAX COLLECTED AND TAX FORMS:**

- A. Tax collected by employers from persons subject to the tax shall be remitted on or before the last day of April, July, October and January for the four quarters ending the last day of March, June, September and December.
- B. **Each employer shall file an OPT return** for each quarter until all tax payments have been made. When a payment is made, both the Occupational Privilege Tax Form and a list (computer run, letter-head, or plain paper) of employees for whom the payment is being submitted should be attached. Both the OPT form and employee list should be sent to the OPT Collector on or before the due date,

and if late, appropriate penalty and interest should be included. This list should include:

- Name and address of employer
- Name and address of employee from whom tax is being withheld
- Employer's Township business tax account number
- Year tax is paid for
- Evidence of OPT Tax paid elsewhere

**9. INDIVIDUALS ENGAGED IN MORE THAN ONE OCCUPATION:**

- A. Each individual who is engaged in more than one occupation in Lower Merion shall be subject to the payment of this tax on his/her principal occupation only, and his/her principal employer shall deduct this tax.
- B. An employee's paycheck stub shall be evidence of the deduction having been made. When presented to any other employer, it shall relieve the other employer of the responsibilities for deduction of the tax.



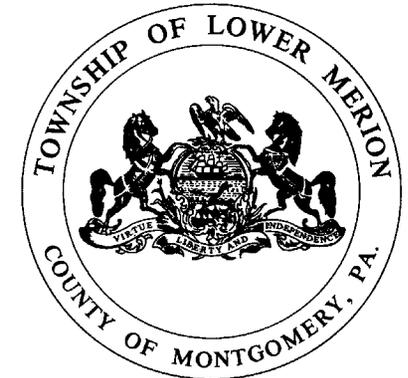
Township of Lower Merion  
75 E. Lancaster Avenue  
Ardmore, PA 19003-2376  
www.lowermerion.org  
(610) 649-4000



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Township of Lower Merion  
and  
Lower Merion School District

# Occupational Privilege Tax Regulations



Township of Lower Merion  
75 E. Lancaster Avenue  
Ardmore, PA 19003-2376

www.lowermerion.org

(610) 649-4000

# Introduction

This brochure was prepared to acquaint you with some of the provisions of the Occupational Privilege Tax (OPT). Please save this copy for future reference. The revenue from this tax is shared equally between the School District and the Township. The Township administers and collects the tax. Please direct any questions to the Occupational Privilege Tax Collector of Lower Merion Township, 75 East Lancaster Avenue, Ardmore, PA 19003-2376, (610) 645-6142.

## OPT Regulations

### 1. PERSONS SUBJECT TO TAX:

Any person who engages in any occupation and performs work within the boundaries of the Township of Lower Merion is subject to this tax after receiving \$1,000 or more as compensation during any calendar year for work performed within Lower Merion. Self-employed individuals and partners are subject to this tax at the point in which the business has achieved \$1,000 in gross receipts.

### 2. PERSONS NOT SUBJECT TO THE TAX:

Anyone paying another Occupational Privilege Tax may not be liable, provided he/she can show that the principal source of his/her income was derived from services rendered in another locality and that he/she paid the tax to the other locality. Proof must be in the form of a certificate or copy of a return from the other locality. This tax does not exempt

anyone who pays Philadelphia City Wage Tax or a head tax elsewhere, as these taxes are of a different nature.

### 3. AMOUNT OF TAX TO BE WITHHELD:

The tax to be withheld shall be \$10.00 for each person subject to the tax for each calendar year.

### 4. PENALTY AND INTEREST:

If the OPT returns and payments are not made to the OPT Collector on the dates designated, interest at the rate of six per cent (6%) per year on the amount of unpaid tax and an additional penalty of one-half of one percent (1/2 of 1%) of the amount of unpaid tax shall be added and collected for each month or fraction of month during which the tax remains unpaid.

### 5. EMPLOYER:

An employer is any person, partnership, association or corporation that engages the services of any individual or person, and makes payment whether by salary, wages, commissions or any other income, for such services rendered.

### 6. DUTIES AND RESPONSIBILITIES OF THE EMPLOYER:

A. In order to determine who is subject to the tax, an employer should, at the end of the first quarter of each calendar year, review employment records to determine the individuals who have earned \$1,000 or more. This same procedure should be repeated at the end of the second, third, and fourth quarters of each calendar year to determine whether there are any indi-

viduals who have earned \$1,000 or more during the calendar year, for whom no tax payment has previously been made. If the employer fails to deduct the tax from any individual, the employer is responsible for the payment.

- B. Each employer shall collect tax from each person subject to the tax and shall remit the tax collected, on or before the due date, to the OPT Collector. Only one payment shall be made for each quarter.
- C. The employee's paycheck stub shall serve as a receipt for the OPT deduction.
- D. Each employer shall obtain from every individual who claims that his/her principal source of income is derived from another locality and that he/she has paid an Occupational Privilege Tax there, a copy of a return or paycheck stub from the other locality.

### 7. DUTIES AND RESPONSIBILITIES OF SELF-EMPLOYED INDIVIDUALS AND PARTNERS:

- A. Self-employed individuals and partners are considered to be both an employer and/or employee and, as such, are liable for the payment of the tax for themselves as well as any other individuals working for them who are subject to the tax. Self-employed individuals and

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