

**TOWNSHIP OF LOWER MERION**  
**FINANCE DEPARTMENT**  
**75 East Lancaster Avenue**  
**Ardmore, Pa 19003-2323**

Dear Business Owner,

Welcome to the Township of Lower Merion! We are delighted that you have chosen to operate your business in our Township. This letter will help explain the Township's business tax and licensing requirements. For your convenience, you will receive Township forms and general notices via email as well as by postal mail if we have received a valid email address. You can update the email address on your account by sending a request to [businessstax@lowermerion.org](mailto:businessstax@lowermerion.org).

All business tax forms, ordinances and regulations are posted on our website at [www.lowermerion.org/businessstax](http://www.lowermerion.org/businessstax). Should you have additional questions please feel free to contact the Business Tax Department at [businessstax@lowermerion.org](mailto:businessstax@lowermerion.org) or by calling the Business Tax Hotline at (610) 645-6142 during Township business hours. We look forward to working with you!

Basically, there are three (3) annual requirements for most businesses:

**Apply/Maintain annual business license/registration – Annual Fee \$20**

- **New businesses**: Must apply for license within 30 days of starting in the Township. Payment of annual fees for all prior years in the Township including the year of application should be paid with your application. The *Application for License/Registration* is available at the following link: [www.lowermerion.org/businessstax](http://www.lowermerion.org/businessstax)
- **License renewals**: Renewals are invoiced in December of each year for the following calendar year. A new application is only needed if your business information needs to be updated.
- **License Year**: Licenses are valid April 15 through April 15 of the following year.
- **Certificates**: Required license certificates are sent to businesses that are current with all Township tax filings and payments at the end of March each year. Certificates must be displayed at the place of business.

**File Annual Township Business Privilege/Mercantile Gross receipts tax return by April 15<sup>th</sup>**

- **Forms**: Tax forms are emailed and mailed in January of each year and are due by the April 15<sup>th</sup> tax deadline for the previous calendar year and are available on [www.lowermerion.org/businessstax](http://www.lowermerion.org/businessstax)
- **Retail, Wholesale and Restaurant businesses** are subject to the Mercantile tax or MT which is .001 or \$1.00 per thousand dollars in gross receipts.
- **Services and non mercantile activities** are subject to the Business Privilege tax or BPT which is .0015 or \$1.50 per \$1,000 in gross receipts.
- **Electronic Filing**: BPT and MT returns can now be filed electronically through the PA LITE portal. Payment must be made through ACH at the time of filing. Please email [businessstax@lowermerion.org](mailto:businessstax@lowermerion.org) to register for efilng and receive your login and password.

## **File and Pay quarterly LST or Local Services Tax Returns**

- **LST or Local Services Tax**: The LST is a \$52 per person per year tax on anyone working in the Township. Employers are required to withhold this tax from township employees and remit it to the Township quarterly like other payroll taxes.
- **Business owners** are also subject to the LST if they generate net profits in excess of \$12,000 as a Partner, S corporation shareholder or sole proprietor of a business in the Township. Owners' business income must be subject to Federal self-employment tax to trigger LST. Business owners must file and pay the full \$52 annual LST in the first quarter of each year. If a business owner is not required to pay the LST they will still be required to file a zero return.
- **Due dates**: LST returns are due quarterly during the tax year on April 30, July 31, October 31 and January 31 every year.
- **Forms**: LST tax forms are included in the Township's January Tax form mailing.

## **SPECIAL SITUATIONS**

### **BERKHEIMER AND EARNED INCOME TAX (EIT):**

Berkheimer and Associates is the Earned Income Tax collector appointed by Montgomery County pursuant to PA Act 32. Although Lower Merion Township may appear on correspondence as the political subdivision the Township does not have an Earned Income Tax and has no role in the collection of Earned income Tax. Business Owners should contact Berkheimer for all questions related to EIT.

### **HOME BASED BUSINESSES AND OFFICES:**

Anyone planning to operate a business using their home address is required to receive a *Certificate of Occupancy* from the Building and Planning Department before a business tax account can be established. For further information about a *Certificate of Occupancy*, please contact the Building and Planning Department at (610) 645-6200.

### **RESIDENTIAL RENTAL PROPERTIES:**

In addition to the requirements above, Residential rental properties must also obtain a Residential Rental License from the Township's Building and Planning Department. This is a separate requirement from the business license.

Business Tax Division  
Finance Department