

What is the Local Services Tax?

The Local Services Tax is a local tax payable by all individuals who hold a job or profession in the Commonwealth of Pennsylvania. Indiana Borough assesses a total of \$52.00 per employee and is deducted in an equal amount per paycheck. For example, if you are paid biweekly, or in 26 pay cycles, then the tax is deducted at \$2.00 per paycheck.

Employees, mainly students, can be exempt from this tax for one of several reasons:

#1. Multiple Employers: This applies if you have/had other employers, other than IUP, in this calendar year. You must also attach a copy of a paystub from the other employer showing you already paid the Local Services Tax (LST).

#2. Expected total earned income reported to the same municipality will be less than \$12,000 in this calendar year: This applies mostly to student employees. It also applies to combined earnings from all employers in this calendar year. You must attach any documentation to support your expected earnings.

#3. Active Military: If you are currently an active member of the military. You must attach a copy of your orders and report when that active status has ended. Annual training does not apply for this exemption reason.

#4. Military Disability: This applies if you are 100% permanently disabled and discharged from the military by the VA due to this disability. You must show appropriate discharge orders.

The next page contains the Local Services Tax Exemption Certificate for this current year. To complete this form, please follow the below steps:

1. Complete the personal information fields on page 1 of the form.
2. If this exemption applies to you, choose one of the 4 exemption reasons on the form OR select option 5 if you do not wish to be exempt from this tax.
3. Attach the supporting documentation required for your exemption reason.
4. Complete the employer listing on page 2 of the form, if needed.
5. Sign and date the bottom of page 2 of the form.

LOCAL SERVICES TAX – EXEMPTION CERTIFICATE
APPLICATION FOR EXEMPTION FROM LOCAL SERVICES TAX

- A copy of this application for exemption from the Local Services Tax (LST), and all necessary supporting documents, must be completed and presented to your employer AND to the political subdivision levying the Local Services Tax for the municipality or school district in which you are primarily employed.
- This application for exemption from the Local Services Tax must be signed and dated.
- **No exemption will be approved until proper documentation has been received.**

Name: _____
Address: _____
City/State: _____

Soc Sec #: _____
Phone #: _____
Zip: _____

REASON FOR EXEMPTION

1. _____ MULTIPLE EMPLOYERS: Attach a copy of a current pay statement from your principal employer that shows the name of the employer, the length of the payroll period and the amount of Local Services Tax withheld. List all employers on the reverse side of this form. **You must notify your other employers of a change in principal place of employment within two weeks of the change.**

2. _____ EXPECTED TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN ___Indiana Borough_____ (municipality or school district) WILL BE LESS THAN \$12,000: Attach copies of your last pay statements or your W-2 for the year prior.

If you are self-employed, please attach a copy of your PA Schedule C, F, or RK-1 for the prior year.

3. _____ ACTIVE DUTY MILITARY EXEMPTION: Please attach a copy of your orders directing you to active duty status. Annual training is not eligible for exemption. You are required to advise the tax office when you are discharged from active duty status.

4. _____ MILITARY DISABILITY EXEMPTION: Please attach copy of your discharge orders and a statement from the United States Veterans Administrator documenting your disability. Only 100% permanent disabilities are recognized for this exemption.

5. _____ I DO NOT WISH TO COMPLETE THIS FORM: This exemption does not apply to me.

EMPLOYER: Once you receive this Exemption Certificate, you shall not withhold the Local Services Tax for the portion of the calendar year for which this certificate applies, unless you are otherwise notified or instructed by the tax collector to withhold the tax.

Tax Office: Indiana Borough
Address: 80 N. 8th St
City/State: Indiana, PA

Phone #: (724) 465-6691
Zip: 15701

IMPORTANT NOTE TO EMPLOYERS

1. The municipality is required by law to exempt from the LST employees whose earned income from all sources (employers and self-employment) in their municipality is less than \$12,000 when the combined rate exceeds \$10.00.
2. The school district for the municipality in which your worksite(s) is located may or may not levy an LST. If it does, the income exemption provided may differ from the municipality and can be anywhere from \$0 to \$11,999.
3. Contact the tax office where your business worksites are located to obtain this information.

