1419 3rd Ave ● PO Box 307 ● Newry, PA 16635-0307 Phone: (814) 317-5335 ● Fax: (814) 317-5255 www.blairtax.org

December 06, 2019

ATTENTION <u>NEWRY BOROUGH</u> EMPLOYERS & SELF-EMPLOYED INDIVIDUALS

The Blair County Tax Collection Bureau has been elected the **Local Services Tax (LST)** collector for Newry Borough located in the Hollidaysburg Area School District **effective January** 1, 2020. The BCTCB will collect the LST for the 2020 tax year and forward.

The Local Services Tax Rate is \$30.00 annually.

- All Employers must adhere to the above referenced change effective January 1, 2020.
- Political subdivisions that levy an LST at a rate that exceeds \$10 must exempt from the tax taxpayers whose total earned income and net profits from all sources within the political subdivision is less than \$12,000. In addition, members of the Clergy are exempt.
- Assessment and Collection: The tax must be assessed and collected on a pro-rata basis determined by the number of payroll periods established by an employer for a calendar year. The pro-rata share of the tax assessed on each taxpayer for a payroll period is calculated by dividing the combined rate of the LST by the number of payroll periods established by the employer for the calendar year. When calculating the pro-rata share, employers are required to round down to the nearest one-hundredth of a dollar. For instance, a \$52 tax would be collected at \$1 per week for taxpayers paid weekly, or at \$4.33 per month for taxpayers paid monthly. If the LST is levied at a combined rate of \$10 or less, the tax may be collected in a lump sum.
- For more information on Local Services Tax please visit: <u>www.newpa.com/local-government/tax-information/local-services-tax</u>
- Any employer who fails to withhold the correct tax rate will be subject to fines and penalties.

Enclosed are LST forms needed to file with the BCTCB. You can also find forms on the website www.blairtax.org. If you have questions regarding the LST or EIT taxes please contact the Bureau at (814) 317-5335 or e-mail: info@blairtax.org.