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NOTICE TO ALL MARTINSBURG BOROUGH EMPLOYERS & SELF-EMPLOYED INDIVIDUALS

Effective January 1, 2019 The Local Services Tax (LST), formerly Occupational Privilege Tax (OPT) will increase from \$10 to \$52 annually.

- All Employers must adhere to the above referenced increase effective January 1, 2019.
- 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:
www.newpa.com/localgovernment/tax-information/local-services-tax
- Any employer who fails to withhold the correct tax rate will be subject to fines and penalties.

New forms will be mailed the beginning of January. Forms can also be found online at www.blairtax.org

Please direct any questions to the Bureau at (814) 317-5335 x 7195 or info@blairtax.org

Thank you,

BCTCB