

INSTRUCTIONS

BUSINESS PRIVILEGE TAX

The Business Privilege Tax of 1.5 mills (\$1.50 per \$1,000.00 of receipts) is to be paid on all gross receipts. The term “gross receipts” includes the gross amount of cash, credits or property which is attributable to the Township by reason of any service rendered or commercial or business transaction in connection with any business, trade, occupation or profession. Generally, receipts are attributable to the Township when business activity is managed, directed or controlled from a base of operations in the Township, even if the customer or a significant portion of the business activity is outside the Township. “Gross Receipts” includes, but is not limited to, all commissions, fees, reimbursements, rents and any other compensation received, as well as interest, dividends, capital gains and other income, whether considered “passive” or “active”.

It is the taxpayer’s burden to claim and prove any exemption or exclusion. Taxpayer must disclose the entire gross receipts prior to exclusion and provide worksheets, tax returns, or other documents supporting the claimed exclusion. “Gross Receipts” does not include:

1. Any receipts which are already included in the calculation of the Mercantile Tax paid by the taxpayer.
2. In general, receipts generated by IRC 501 (c)(3) non-profit organizations meeting the criteria for “institutions of purely public charity” as set forth in the Institutions of Purely Public Charity Act, 1997, P.L. 508, No. 55; 10 P.S. §371 et seq. are not included in gross receipts. However, gross receipts derived by such non-profit organizations from unrelated trade of business are included in gross receipts.
3. In the case of financial business, the cost of securities and other property sold, exchanged, paid at maturity or redeemed, and moneys or credits received in repayment of advances, credits and loans (not to exceed the principal amount of such advances, credits and loans), and deposits.

MERCANTILE TAX

The Mercantile Tax of 1.5 mills on receipts from retail sales and 1.0 mill on receipts from wholesale sales is to be paid on the gross volume of business of wholesale and/or retail vendors or dealers in goods, wares and merchandise of every kind, and all persons engaged in conducting restaurants or other places where food, drink or refreshments are sold. “Gross volume of business” includes all receipts, whether cash, credit or other property.

It is the taxpayer’s burden to claim and prove any exemption or exclusion. Taxpayer must disclose the entire gross volume of business prior to exclusion and provide worksheets, tax returns or other documents supporting the claimed exclusion. Receipts included in gross volume of business shall not include:

1. Manufacturers: Persons engaged in manufacturing may exclude receipts from the sale of goods manufactured by them. For purposes of the Mercantile Tax, “manufacturing” means the making of something new and different, involving a substantial (not superficial) change in material, form, composition of character, resulting in different goods and articles having a distinctive name, character and use, different from the materials from which the article is made.
2. Interstate Commerce: See Township Regulations, available from the Township upon request.
3. Institutions of Purely Public Charity: In general, receipts generated by IRC (c)(3) non-profit organizations meeting the criteria for “institutions of purely public charity” as set forth in the institutions of Purely Public Charity Act, 1997, P.L. 508, No. 55; 10 P.S. §371 et seq. are not included in the measurement of tax. However, receipts derived by such non-profit organizations from unrelated trade or business are included in gross receipts.

PARTIAL YEAR

New Businesses: Taxpayers filing for the Business Privilege Tax must file a tax return within (40) days from the date of commencing business. Taxpayers filing for the Mercantile Tax must file a tax return within (60) days from the date of commencing business. The estimated gross receipts or gross volume of business for such taxpayer shall be computed by multiplying the actual gross receipts for the first month of business by the number of months remaining in the tax year. The \$10.00 License fee is not prorated.

LICENSE

Taxpayers with multiple locations in the Township must obtain a business license for each location, but should only file one tax return for all locations.

FILING REQUIREMENTS AND DEADLINES

You must attach copies of federal tax return, schedules and worksheets to support gross receipts and/or gross volume of business, reported and any claimed exclusions or exemptions. The tax return is not considered complete unless such documents are attached. The deadline to file this Return is April 15. Haverford Township will honor federal extensions for returns not filed by April 15 PROVIDED THAT: a copy of the federal extension form is submitted and the full amount of tax and license fee is paid no later than April 15.

You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes. Should you have any questions, contact Tri-State Financial at 610-270-9520.

To access additional forms you may visit our website: www.tfgtax.com