



## **LANCASTER COUNTY TAX COLLECTION BUREAU**

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### ***EMERGENCY & MUNICIPAL SERVICES TAX (EMST)***

#### ***EMPLOYER INSTRUCTIONS***

Act 222 of 2004 amends the Local Tax Enabling Act, Act 511 of 1965, to permit municipalities and school districts (except the Pittsburgh School District) whose taxing authority derives from Act 511, to impose on persons employed within the jurisdiction a combined Emergency and Municipal Services Tax (EMST) of up to a maximum of \$52 a year beginning on and after January 1, 2005. This tax replaces the Occupational Privilege Tax (OPT) and can be imposed any time during the fiscal year. Municipalities must use funds from an EMST for police, fire or emergency services; road construction or maintenance; or for the reduction of property taxes. This limitation does not apply to school districts.

Act 222 allows local taxing jurisdictions to provide a low-income earnings exemption. The earnings exemption is optional on the part of the municipality or school district. There may be no exemption or an exemption in any amount so long as the exemption does not exceed \$12,000.

All employers with work sites within the taxing jurisdiction are required by law to deduct the EMST from their employees at the site of employment. The legal basis for the EMST is the actual location where the individual taxpayer works. It is not the headquarters of the employer where the payroll checks are prepared. If a taxpayer works in more than one political subdivision during the tax year, the priorities of collection are as follows.

- (1) the political subdivision in which the person maintains the principal office or is principally employed;
- (2) the political subdivision in which the person resides and works if, of course, the political subdivision of residence imposes the tax;
- (3) the political subdivision in which a person is employed imposing the tax which is nearest the person's home.

The place of employment is to be determined as of the day the taxpayer first becomes subject to the tax during the calendar year. The legislative intent as expressed in the law is that no person is to pay more than \$52 in any calendar year for EMST, regardless of the number of political subdivisions where they work during a year. A tax receipt showing payment at an earlier date in the same calendar year must be accepted by all other political subdivisions where an individual subsequently becomes liable for the tax. However, if an employee pays an EMST of \$10 and transfers to a municipality where the rate is higher, the employer should withhold the difference.

Recognizing that the payment of the \$52 lump sum tax can place a significant burden on low-income workers, the Governor's Center for Local Government Services recommends reducing the burden of the \$52 lump sum on workers by permitting employers to spread the withholding of the EMST over more than one paycheck.

Additional information concerning the EMST can be found on the PA Department of Community & Economic Development web site [www.newpa.com/default.aspx?id=133](http://www.newpa.com/default.aspx?id=133).

(See other side)

Listed below are the political subdivisions within our jurisdiction that have levied the EMST and named LCTCB the tax collector. The chart lists the Municipal Code, levied Tax Amount for 2006, and the Earnings Exemption established for each area.

<b><u>Municipality Name</u></b>	<b><u>Municipal Code</u></b>	<b><u>2006 Tax Amount</u></b>	<b><u>Earnings Exemption</u></b>
<i>Columbia Boro School District</i>			
Columbia Boro	360273	\$52	\$12,000
<i>Conestoga Valley School District</i>			
East Lampeter Twp	360605	\$52	\$12,000
* Upper Leacock Twp	361625	\$10	\$1,000
* West Earl Twp	361775	\$52	\$12,000
<i>Eastern Lancaster Co School District</i>			
Brecknock Twp	360125	\$10	\$2,000
Caernarvon Twp	360155	\$10	\$2,000
Earl Twp	360425	\$52	\$12,000
East Earl Twp	360545	\$10	\$2,000
New Holland Boro	361263	\$52	\$12,000
Terre Hill Boro	361593	\$10	\$2,000
<i>Elizabethtown Area School District</i>			
Elizabethtown Boro	360723	\$52	\$12,000
West Donegal Twp	361745	\$52	\$12,000
<i>Ephrata Area School District</i>			
Ephrata Boro	360753	\$20	\$1,500
<i>Hempfield School District</i>			
West Hempfield Twp	361805	\$52	\$12,000
<i>Lampeter-Strasburg School District</i>			
West Lampeter Twp	361835	\$26	\$12,000
<i>Lancaster School District</i>			
Lancaster City	360842	\$52	\$12,000
<i>Manheim Twp School District</i>			
Manheim Twp	361024	\$52	\$12,000
* LCTCB has been designated as the Collector for the School Districts portion only of the EMS Tax.			