



LANCASTER COUNTY TAX COLLECTION BUREAU

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Frequently Asked Questions About LST

Item 1:

Employees are required to pay \$52 for the tax year. The notice states that employers are required to deduct this tax from employee's paychecks at a rate of \$1.00 per week.

- Is it mandatory that the employer deduct a maximum of \$1.00 per week for this tax or can the employer deduct it in another manner such as 4 installments of \$13.00 each?

The tax must actually be taken out on a per payroll basis (if paid weekly, then \$1 per week). You may not take out a larger portion than this.

- What if the employee does not work 52 weeks in a year? Must the employee pay the balance of the tax due in one lump at tax filing time? If this is the case why is the deduction spread so thin for a period of a full year? Why not 3 or 4 equal weekly deductions?

If the employee quits before the full \$52 is withheld, the employer has fulfilled their obligation. IF THE EMPLOYEE STARTS PART WAY THROUGH THE YEAR THE EMPLOYER MUST STILL WITHHOLD AT A RATE OF \$1 PER WEEK, DO NOT PLAY CATCH UP

Item 2:

The LST is based upon all employees who perform work within our taxing municipality. We are a per diem staffing company and all of our employees travel to their assignments from their homes. If the tax is based on the location where the employees perform their duties how does an employer make the appropriate deduction? Ex: Today they may work in a municipality where the tax is \$10 and tomorrow they work in a municipality where the tax is \$52.

If there is no clear permanent municipality worked in, the employer will withhold the tax based on the physical location of the business.

Item 3:

As a per diem staffing agency our employee's hours and assignments are dependent on the daily needs of our clients. Due to the uncertainty of work, some employees work for two or more agencies. How does the employee decide who is their main employer if they are employed by 2 or more staffing agencies and neither their main employer? The employees must have a main employer in order to file for an exemption so they do not pay double the tax on a weekly basis. What is the rule in this situation?

It is then based on to which one they live the closest.