



Lancaster County
Tax Collection Bureau
&
Middletown Area
Tax Collection Bureau



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IMPORTANT EMST/LST CHANGES

PLEASE READ!!!

The State of Pennsylvania has passed Act 7 which will go into effect for the tax year 2008. All changes **MUST** be put into effect beginning January 1, 2008. The following are the most significant changes to the tax.

1. NAME CHANGE

- Name change from EMST (Emergency and Municipal Services Tax) to LST (Local Services Tax)

2. WITHHOLDING THE TAX

- If the tax applicable at the work site is greater than \$10, it must be taken out on a per payroll basis. For example: If the tax is \$52, and employees are paid weekly, it would be taken out at a rate of \$1 per week. If paid bi-weekly, then take \$2 per week. If the tax is \$10 or less, the tax may be taken out in one lump sum from the first paycheck. The employer is responsible for the tax if not withheld.

3. EARNINGS THRESHOLD

- The tax exemption earning threshold applicable where the bureau collects the tax is automatically \$12,000 from all EARNED income.
- No longer from all sources of income. Now only from earnings and net income from a business.
- The total earned income is income earned while performing duties within the taxing municipality or school district.

4. WITHHOLDING EXEMPTION CERTIFICATES

- An individual may file an exemption certificate if the individual reasonably expects he/she will earn under \$12,000 or if the per payroll tax is being withheld by another primary employer.
- **An exemption certificate must be filed with the employer and the Bureau.**
- The exemption certificates are available on the Bureau web site www.lctcb.org.

If you have any further questions, please feel free to call our office.

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Lancaster County Tax Collection Bureau