

TO: SCASD Employees
FROM: Donna Watson, Assistant Business Administrator
DATE: February 18, 2021
RE: Local Services Tax (LST) for 2021

Local Services Tax Withholding:

As in prior years, a monthly payroll deduction will be made for Local Services Tax (LST) consisting of a municipal portion of \$47.00 and the school district portion of \$5.00. If you are an employee who is paid over 12 months, a monthly deduction of \$4.34 will be made for a total of \$52.00. If you are an employee who is only paid during the school year, \$5.20 will be deducted monthly for a total of \$52.00. Employers are required to deduct LST from an employee's pay unless any of the following are true:

- A. SCASD is not your primary employer, or
- B. You have been honorably discharged from military service with a total (100%) disability, or
- C. You reasonably expect your total income during 2021 from all employers and self-employment within the Centre County tax collection district will be less than \$12,000 and can provide documentation that your income did not exceed \$12,000 in the previous tax year. This only applies to the \$47.00 Municipal LST. The School District does not provide for any income based exemption.

Note: This is a conditional upfront exemption only and SCASD is required to complete a catch-up withholding the first pay date following the date we become aware your earnings will exceed \$12,000.

If SCASD is not your primary employer, and LST is being withheld from another employer, submit an **Employee Statement to Secondary Employers** to the payroll office with proof of LST withholding from your primary employer in the current tax year **on or before January 15, 2021**. We are required to withhold LST until we have an application and required documentation.

If SCASD is your primary employer and if either (B) or (C) is true, complete an **Annual Local Services Tax (LST) Exemption Request Form** and submit documentation of previous year's income earned within the Centre County tax collection district to the payroll office **on or before January 15, 2021**. We are required to withhold LST until we have an application and required documentation.

A copy of this memo can be downloaded from the district website at www.scasd.org under Resources, Employee Resources, Local Services Tax Information. Exemption forms are located on link to the website below:

<https://dced.pa.gov/download/lstexemptioncertificate-4-pdf/?wpdmdl=56757>

The Employee Statement to Secondary Employers and Annual Local Services Tax Exemption Request must be completed annually. Exemptions from the prior year expired on 12/31/2020.

Additional questions may be directed to the payroll office at 814-231-1057.

Local Services Tax Refunds:

You may be eligible for a refund of paid / withheld Local Services taxes for any of the following reasons:

- 1) You have been honorably discharged from military service with a total disability.
- 2) You are a reservist and you were called to active duty during 2020.
- 3) Your actual total income during 2020 from all employers and self-employment within the Centre County tax collection districts was less than \$12,000.
- 4) You had more than \$52.00 withheld for this tax.

The form to obtain a refund of 2020 LST is also available at the following web site.

<https://dced.pa.gov/download/lstrefundapplication-2-pdf/?wpdmdl=56758>

The collector's contact information is as follows :

Centre Tax Agency
243 South Allen Street, PO Box 437
State College, PA 16804-0437
Phone: (814) 234-7120 Fax: (814) 234-7148