

TO: SCASD Employees
FROM: Donna Watson, Assistant Business Administrator
DATE: January 3, 2023
RE: Local Services Tax (LST) for 2023

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 2023 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 February 17, 2023**. 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 February 17, 2023**. We are required to withhold LST until we have an application and required documentation.

Below is the link to the exemption form:

[LST Exemption Form](#)

The Employee Statement to Secondary Employers and Annual Local Services Tax Exemption Request must be completed annually. Exemptions from the prior year expired on 12/31/2022.

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 2022.
- 3) Your actual total income during 2022 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 2022 LST is also available at the following web site. [LST Refund Application](#)

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