

GENERAL INFORMATION

The Mercantile Tax of 3 mills (\$3.00 per \$1,000.00 of receipts) is to be paid on the Gross Volume of Business of wholesale and/or retail vendors or dealers in goods, wares and merchandise of every kind, and all persons engaged in conducting restaurants or other places where food, drink or refreshments are sold. "Gross Volume of Business" includes all receipts, whether cash, credit or other property.

Important Note: For complete information and specific guidance about exempt entities and receipts, exclusion of certain receipts, and how to determine Gross Receipts through attribution, allocation, or apportionment, please refer to the Township's Business Privilege and Mercantile Tax Rules and Regulations. The Regulations are available from the Finance Department or online at www.radnor.com.

EXCLUSIONS AND EXEMPTIONS: It is the Taxpayer's burden to claim and prove any exemption or exclusion. The Taxpayer must disclose the entire Gross Volume of Business prior to exclusion and provide worksheets, tax returns or other documents supporting the claimed exclusion. Receipts included in the measure of tax shall not include:

1. The first \$25,000 of Receipts. One exclusion per Taxpayer, not per location.
2. Check regulations for specific guidelines on the exclusion of receipts related to the sale of alcoholic beverages.
3. Persons engaged in manufacturing may exclude receipts from the sale of goods manufactured by them. For purposes of the Mercantile Tax, "manufacturing" means the making of something new and different, involving a substantial (not superficial) change in material, form, composition or character, resulting in different goods and articles having a distinctive name, character and use, different from the materials from which the article is made.
4. Interstate Commerce - please refer to the Township's Rules and Regulations.
5. In general, receipts generated by IRC 501(c)(3) non-profit organizations meeting the criteria for "institutions of purely public charity" as set forth in the Institutions of Purely Public Charity Act, P.L. 508, No. 55; 10 P.S. § 371 et seq. are not included in the measure of tax. However, receipts derived by such non-profit organizations from unrelated trade or business are included in total receipts.

FILING REQUIREMENTS AND DEADLINE: You must attach copies of federal tax returns, schedules or worksheets to support Gross Volume of Business reported and any claimed exclusions or exemptions. **The tax return is not considered complete unless such documents are attached.**

The deadline to file the Mercantile Tax Return is **May 16, 2022**. To be considered timely filed, the envelope containing the tax return and payment must be postmarked no later than May 16, 2022. The Township will honor extensions for federal tax returns not filed by May 16, 2022, **PROVIDED THAT** the Radnor Application For Extension To File Form is submitted along with a copy of the Federal Extension Form, **and** the full amount of the tax is paid no later than May 16, 2022. An extension of time to file a return is not an extension of time to pay tax associated with the return. No extension of time to pay tax is permitted. Extensions of time to file are valid for up to 5 (October 17, 2022) months from the original filing due date.

PARTIAL YEAR: New businesses must file a tax return **within 40 days** from the date of commencing business activities in the Township. The Estimated Gross Volume for such Taxpayers shall be computed by multiplying the Actual Gross Receipts for the first month of business by the number of months remaining in the tax year.

TAXPAYERS WITH OTHER LOCATIONS: Taxpayers with places of business both within and outside of the Township are required to obtain a Business License and pay the tax due resulting from business activity attributable to the location in the Township.

TAXPAYERS SELLING GOODS AND OFFERING SERVICES: Some businesses will be subject to both the Business Privilege Tax and Mercantile Tax and should file a separate return for each tax. Such businesses need obtain one Business License per location. The Township has a separate Business License Application form available for download at www.radnor.com.

TAXPAYERS WITH MULTIPLE LOCATIONS IN THE TOWNSHIP: Taxpayers with multiple locations in the Township must obtain a Business License for each location but should only file one tax return for all locations. New Taxpayers must complete a Business License Application for each location. The application is available for download from the Township's website.

ASSISTANCE: All questions and requests for clarification or assistance should be directed to: Radnor Township, Attn: Business Tax Office - Finance Department, 301 Iven Avenue, Wayne, PA 19087. The telephone number is (610) 688-5600, Extension 186. Email to mjdellipizzi@radnor.org.

To receive official documents or correspondence from Radnor Township concerning business taxes, please provide a valid email address. By doing so, you authorize Radnor Township to send such documents or information via email. Thank you.