

RADNOR TOWNSHIP
TAXPAYER REQUEST FOR TAX DETERMINATION

Purpose of Form: This form is to be used by a business that seeks a determination of taxability or exemption regarding the Township's Business Privilege and/or Mercantile Tax ("BPMT"). The BPMT applies to all entities doing business within Radnor Township, including service businesses, retail and wholesale businesses, restaurants, and rental of real property. The BPMT is a tax on the privilege of doing business within the Radnor Township and is measured by Gross Receipts also known as Gross Volume of Business. The BPMT is not a net profit or income tax. Because it is a gross receipts tax, the BPMT rate is relatively small and there are very few exclusions from the tax base. The Tax and Regulations do provide for some exemptions from the Tax, such as certain manufacturing and banking activities, and for some exclusions from the tax, such as a portion of receipts in interstate commerce and for certain alcohol sales.

Tax Determination Process and Effect: Current taxpayers, as well as businesses interested in starting up or moving into the Township, may request a determination of taxability by using this form. The Township may request additional information or a site visit. If the Township has sufficient information to make a determination, the Township will provide a tax determination in writing. The Township will not provide a tax determination for hypothetical situations or unidentified businesses or taxpayers. Determinations of taxability or exemption may be relied upon only by the entity which requested the determination in writing and to which the determination is issued. The determination will be based on the facts presented by the requesting business and may only be relied upon if all material facts have been disclosed and are included in the determination. If the actual facts are, or become, materially different from what is described in the Tax determination, then the conclusions of the determination cannot be relied upon.

The Tax determination will be based on the Township's interpretation of current law, including the Township's BPMT Ordinances, Business Tax Regulations, case law and statutory law. If there is any change in interpretation by the Township, or significant or material change to any pertinent law, then the conclusions in the determination may not be relied upon by the taxpayer. The Tax determination will be issued subject to the provisions of the Pennsylvania Local Taxpayer Bill of Rights Act, 53 Pa. C.S. §8428(b), which require the abatement of certain penalty and interest in the event a taxing authority has issued erroneous written advice that is then relied upon by a taxpayer. In the event the Township's conclusions in the determination are later determined by the Township or by another authority to be erroneous, the determination may be used only to justify the abatement of certain penalties and excess interest, and cannot be used to avoid payment of any tax principal that may be determined to be due.

Instructions: Complete this form and mail or deliver it to: Radnor Township, Attn: Finance Director, 301 Iven Ave., Radnor, PA 19087.

SECTION A: BUSINESS INFORMATION

Full Legal Name of Business

Trading as (if applicable)

Mailing Address

City

State

Zip Code

Telephone number

Physical Street Address in Radnor Township – if different from above

City

State

Zip Code

Taxpayer Identification Number: _____

SECTION B: DESCRIPTION OF BUSINESS ACTIVITY

Describe in detail the operations of the business within Radnor Township, including all categories of receipts. If the business has operations outside of the Township, describe the operations that take place outside the Township. Attach additional pages if needed.

SECTION C: DESCRIBE ANY GROUNDS UPON WHICH BUSINESS MAY BE EXEMPT FROM TAX

State reasons why exemption should be granted and give supporting authority (such as ordinances, regulations, statutes and/or case law). Attach additional pages if necessary. Enclose copies of any documents you feel will support your arguments.

SECTION D: SPECIFIC ADDITIONAL INFORMATION FOR BUSINESSES SEEKING A MANUFACTURING EXCLUSION.

The definition of manufacturing for purposes of local business taxes requires an entity to take raw products and, with skill and labor, make a substantial transformation of the products into a new product. The change cannot be simply superficial. In determining whether a business is a manufacturer, or any of its processes involve manufacturing, a review must be made of what the business begins with before its process or operation, and what it ends with after its operation. The determination must consider how the end product is substantially different from the original components and whether it may reasonably be concluded that the end product has an identity substantially different from the original material, or has a substantially different form, quality or use. Although a business may be considered a manufacturer for purposes of a state or federal tax, it does not necessarily constitute a manufacturer for purposes of local gross receipts tax. In general, the manufacturing exemption applies to receipts from sales of manufactured products, as opposed to receipts from performance of services.

Please provide a detailed description and explanation of **each** process that Taxpayer performs. For each process, please include (1) a description of the materials that the process starts with, including the uses of the materials, (2) a description of the process that Taxpayer performs on the materials and how it does it, including a description of equipment used, and (3) a description of the product after it has been processed by Taxpayer, including any new uses that may be made of the material after processing, and a description of the substantial changes that have been made to the material/product by Taxpayer.

Provide a detailed explanation of whether the business sells product itself, or merely performs a service on products owned by customers. If the business does both, state whether the business is able to quantify its receipts from sales of product separately from its receipts from performance of services on products belonging to customers.

SECTION E: DESCRIBE CLAIMED EXCLUSIONS.

Describe any categories of receipts which you believe should be excluded from tax and state why. Give supporting authority and attach additional information if you feel it will support your arguments.

Submitted by: _____
(Business or Authorized Representative)

Print Name: _____

Title: _____

Date: _____

Email address: _____