

**Radnor Township Business Tax Department  
Frequently Asked Questions  
About Business Privilege and Mercantile Taxes**

Date: August, 2022

**QUESTIONS ABOUT RENTAL BUSINESSES**

**QUESTION: I rent out a single residential property that I own. I do not rent commercial property. Am I still subject to the Business Privilege Tax?**

**ANSWER:** Yes; rental of real estate is considered taxable business activity under the Tax Code, whether the real estate is residential or commercial.

**QUESTION: I rent my home through AirBNB and earn under \$20,000 a year. Is this activity subject to the Business Privilege Tax?**

**ANSWER:** Yes; such activity is considered taxable business activity. However, since the first \$25,000 of gross receipts is exempt from tax for every business, if you have no other receipts, you will not have to pay tax. You do still have to file a return and pay the license fee, even if no tax is due. You must include documentation to support the amount of receipts reported.

**QUESTION: I own three rental properties, do I have to obtain a business license for each location, or just one license for all three?**

**ANSWER:** The Tax Code requires a business license for each location in the Township.

**QUESTION: I sold my rental property in 2020. Do I have to report the receipts from the sale as well as the rent I received in 2020?**

**ANSWER:** Yes; the capital gain from the sale of rental property must be included in gross receipts reported to the Township, regardless of whether the property is residential or commercial and regardless of the number of rental properties owned.

*Please refer to the Township's Business Tax Regulations for more information on filing requirements.*