

**ARTICLE II**  
**BUSINESS PRIVILEGE AND MERCANTILE TAX**

*History: Adopted by the Board of Supervisors of Center Township as Ordinance No. 62, November 30, 1988, as amended by Ordinance No. 97-12-12, December 10, 1997.*

**§ 18-201. General Definitions**

The following words and phrases when used in this Article shall have the meanings ascribed to them in this Section, except where the context clearly indicates or requires a different meaning.

**A. Business:**

1. Carrying on or exercising, whether for gain, or profit or otherwise within the Township of Center, any trade, business, including but not limited to, financial business as hereinafter defined, professions, vocation, service, construction, communication or commercial activity or making sales to persons or rendering services from or attributable to an office or place of business in the Township of Center, the receipt of any money or fee in the Township of Center.
2. Shall not include the following: The business of any political subdivision; any employment for a wage or salary; any business which is subject to the mercantile tax; any organization, foundation, corporation or unincorporated association operating under a non-profit charter or recognized as a non-profit entity by the Commonwealth of Pennsylvania.

**B. Broker:** Merchandise broker, factor or commission merchant.

**C. Contractors or Subcontractors:** Any contractor or subcontractor who has or maintains an office or place of business or storage facility within Center Township.

**D. Financial Business:** The services and transactions of banks and bankers, savings and loan associations, trusts, credit and investment and brokers in money, credits, commercial paper, bonds, notes, security and stocks, monetary metals, factors and commission merchants.

**E. Gross Receipts:** Cash, credits, property of any kind or nature in or allocable or attributable to the Township of Center from any business or by reason of any sales made, including resales of goods, wares or merchandise taken or services rendered or commercial or business

transactions had within the Township of Center without deduction therefrom on account of the cost of the property sold, materials used, labor, service or other costs, interest or discount paid, or any other expense or the receipt of any money or fee in the Township of Center. Gross Receipts shall include:

1. The dollar volume of business transacted by wholesale and retail dealers derived from the resale of goods, wares and merchandise, taken by any dealer as a trade-in or as part payment for other goods, wares and merchandise, except to the extent that the resale price exceeds the trade-in allowance.
  2. In the case of a financial business, the cost of securities and other property sold, exchanged, paid at maturity or redeemed and moneys or credits received in repayment of advances, credits and loans, but not to exceed the principal amount of such advances, credits and loans and shall also exclude deposits.
  3. In the case of a Broker, commissions paid by him to another Broker or salesperson on account of a purchase or sales contract initiated, executed or cleared in conjunction with such other Broker.
  4. Receipts by dealers from sales to other dealers in the same line where the dealer transfers title or possession at the same price for which he acquires the goods, wares or merchandise.
- F. **Gross Volume of Business:** The actual total amount of business transacted, including both cash and credit transactions and shall be calculated on the basis of gross receipts of the business.
- G. **License Year:** Each calendar year, beginning at 12:01 a.m., January 1, and ending at 12:00 o'clock midnight December 31.
- H. **Person:** Any natural person, partnership, unincorporated association or corporation. Whenever used in any provision prescribing a fine or penalty, the word "person" as applied to partnership shall mean the partners thereof, and as applied to corporation or unincorporated associations, shall mean the officers thereof.
- I. **Retail Dealer or Retail Vendor:** Any person who is a dealer in or vendor of goods, wares or merchandise other than a wholesale dealer, wholesale vendor or broker, but shall not include a person engaged in temporary, seasonable or itinerant business.

- J. **Tax Administrator:** That person duly appointed by the Board of Supervisors of the Township of Center to administer this Article and collect taxes hereunder.
- K. **Tax Limitations:** All statutory limitations upon the assessment of taxes imposed by this Article. All limitations imposed by the provisions of the "Local Tax Enabling Act," are by law a part of this Article among which is the limitation that the Township shall not have authority by virtue of the "Local Tax Enabling Act" to levy, assess and collect a tax on goods and articles manufactured in the Township or on the by-products of manufacture or on minerals, timbers, natural resources and farm products produced in such political subdivision, or on the preparation or processing thereof for use or market, or on any privilege, act or transaction related to the business of manufacturing, the production, preparation or processing of minerals, timber and natural resources, or farm products, by manufacturing, by-producers and by farmers with respect to the goods, articles and products of their own manufacture, production or growth, or on any privilege, act or transaction relating to the business of processing by-products, of manufacture or on the transportation, loading, unloading, or dumping or storage of such goods, articles, products or by-products.
- L. **Tax Year:** Each twelve (12) month period beginning January 1, and ending on December 31.
- M. **Temporary, Seasonal or Itinerant Business:** Any business that is intended to be conducted, and is actually conducted at one location for less than sixty (60) consecutive calendar days.
- N. **Wholesale Dealer or Wholesale Vendor:** A person who sells goods, wares or merchandise for resale to dealers in or vendors of goods, wares or merchandise, whether or not the goods, wares or merchandise are resold in the same form or in an altered or changed form or are consumed directly in the manufacturing, processing or fabricating of tangible personal property which is then sold.

**§ 18-202. Business Privilege Tax**

Every person engaging in any business in the Township of Center subject to the Business Privilege Tax, shall pay an annual tax at the rate of one half (1/2) mil on each dollar of volume of the gross annual receipts.

**§ 18-203. Mercantile Tax**

- A. **License:** Every person desiring to continue to engage in or hereafter to begin to engage in the business of wholesale or retail dealer in or wholesale or retail vendor of goods, wares and merchandise and any

person conducting a restaurant or other place where food, drink or refreshments are sold shall, on or before the first Monday of January of the License Year or prior to commencing business in the License Year, procure a Mercantile License for the Township of Center from the Tax Administrator who shall issue the same upon the payment of five dollars (\$5.00) for a wholesale or retail license and five dollars (\$5.00) for each of his places of business for the License Year. Such license shall be conspicuously posted at the place of business or at each of the places of business for every person at all times.

**B. Imposition and Rate of Tax:** For each calendar year, the Township of Center does hereby impose a Mercantile Tax in the manner and at the rates hereinafter set forth; provided, nevertheless, that the said gross annual of business or receipts is greater than two thousand five hundred dollars (\$2,500.00) per annum.

1. Wholesale dealers in, or wholesale vendors of, goods, wares or merchandise at the rate of one-half (1/2) mil on each dollar of the volume of the annual gross business transacted by him. In the case of Brokers, the term "Gross Business" shall mean "Gross Commission Earned."
2. Retail Dealers in, or retail vendors of, goods, wares or merchandise and all persons engaged in conducting restaurants or other places where food, drink or refreshments are sold at the rate of one-half (1/2) mil on each dollar of the volume of the annual gross business transacted by him.
3. The tax imposed herein shall apply whether or not the tax activity is conducted together with some other business or occupation.

#### **§ 18-204. Administration**

**A. Computation of Gross Annual Receipts and Volume of Business:** Every person subject to the payment of the tax hereby imposed, who has commenced his business at least one (1) full year prior to the beginning of the tax or license year, shall compute his annual gross volume of business or receipts upon the annual gross amount of business transacted or actual receipts received by him during the preceding calendar year.

1. Every person subject to the payment of the tax hereby imposed who has commenced his business subsequent to the beginning of any tax or license year, shall compute his annual volume of business or gross receipts upon the actual volume of business or gross receipts received by him during the part of such tax or

license year remaining and on the actual gross receipts of volume of business of his first full year for the second full year he engages in business, as the case may be. In the case of business commencing less than one (1) full year prior to any tax or license year, the average monthly volume of business or gross receipts multiplied by twelve (12) shall be the basis for computing the gross volume of business or receipts for the first full tax or license year.

2. Where a receipt in its entirety cannot be subjected to the tax imposed by this Article by reason of the provisions of the Constitution of the United States or of Pennsylvania, or any other provisions of law, including the exemptions within this Article, the Tax Administrator shall establish rules and regulations and methods of allocation and evaluation so that only that part of receipt which is properly attributable and allocable to the doing of business in the Township of Center shall be taxed hereunder. Every person who ceases to carry on a business during any tax or license year shall be permitted to apportion his tax for each tax or license year and shall pay for such tax or license year an amount to be computed by multiplying his gross receipts or volume of business for the preceding full calendar year by a fraction whose numerator shall be the number of months such person was in business during the tax year and whose denominator shall be twelve.
3. Every person subject to the payment of the tax hereby imposed who engages in a business, temporary, seasonal or itinerant by its nature shall compute his annual volume of business or gross receipt on the actual business transacted or gross receipts received by him during such tax or license year.
4. Every person who shall discontinue business during the tax or license year after having paid taxes for the entire year, upon making proper application to the Tax Administrator, shall be entitled to receive a refund of a pro rata amount of the tax paid, based upon the period of time he was not in business during the tax or license year.

**B. Returns and Registration:**

1. Every person subject to the tax imposed by this Article shall forthwith register with the Tax Administrator setting forth his name, address, business address and the nature of the business activity in which he is engaged.

2. Every return shall be made upon a form furnished by the Tax Administrator. Every person making a return shall certify the correctness thereof.
  3. Every person subject to the tax imposed by this Article who has commenced his business at least one (1) full year prior to the beginning of the license year shall on or before the fifteenth (15th) day of May, during each license year, and annually thereafter, file with the Tax Administrator a return setting forth his name, his business address and business and such other information as may be necessary in arriving at the annual gross volume of business transacted or receipt received by him during the preceding year and the amount of tax due.
  4. Every person subject to the tax imposed by this Article who commences business subsequent to the beginning of any tax or license year shall, for such tax or license year, file on or before January 31 of the succeeding tax or license year a return with the Tax Administrator setting forth his name, his business, his business address and such other information as may be necessary in arriving at the actual gross volume of business transacted or receipts received by him during such tax period and the amount of the tax due.
  5. Every person subject to the tax imposed by this Article who commences business subsequent to the beginning of any tax or license year shall, on or before May 15 of the succeeding tax or license year, file a return with the Tax Administrator setting forth his name, his business, his business address and such other information as may be necessary in arriving at the gross volume of business or receipt for the first full tax or license year and the amount of tax due. The average monthly volume of business transacted or receipts received in the preceding year multiplied by twelve (12) shall be the basis for computing the gross volume of business or receipts for the first full tax or license year.
- C. **Payment:** At the time of the filing of his return, the taxpayer shall pay the amount of tax shown as due to the Tax Administrator. All taxes shall be paid and a return filed on or before May 15 of each year thereafter.
- D. **Tax Administrator - Powers and Duties:**
1. It shall be the duty of the Tax Administrator to collect and receive the taxes, fines and penalties imposed by this Article. It shall also

be his duty to keep a record showing the amount received by him from each person paying the tax and the date of the receipt.

2. The Tax Administrator is hereby charged with the administration and enforcement of the provisions of this Article and is hereby empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter pertaining to its administration and enforcement, including provisions for the reexamination and correction of returns and payments alleged or found to be incorrect or to which an overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the Tax Administrator shall have the right to appeal to the Court of Common Pleas as provided for in other cases.

**E. Suit on Collection; Interest on Unpaid Tax:**

1. The Tax Administrator may sue for the recovery of taxes due and unpaid under this Article in the name of the Township. If for any reason the tax is not paid when due each year, interest at the rate of six percent (6%) on the amount of such tax and an additional penalty of one percent (1%) of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected.
2. Where suit is brought for the recovery of any such tax, the person liable therefore shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

**F. Penalty:**

1. Any person who makes any false or untrue statement on his return and any person who fails or refuses to file a return or procure a mercantile license as required or who fails to keep his license conspicuously posted at his place of business as required herein or who fails to pay the proper and full amount of tax due, whether business privilege or mercantile, shall, upon conviction by a District Magistrate in a summary proceeding, pay a fine of two thousand dollars (\$2,000.00), plus costs.
2. The failure of any person required to file a return to receive or procure the form on which the same is required to be filed shall not exclude him from making a return or from paying the tax.
3. In addition thereto, the Township may proceed with a civil action to collect the tax.

