



Welcome to Montgomery Township!

Thank you for choosing to bring your workforce and expertise to the wide array of construction and renovation projects happening in the community. The purpose of this notice is to inform you that any contractor, resident or nonresident, doing business in the township in which it constructs, alters, repairs or improves real property is subject to the Business Privilege Tax.

Important Information:

- 1) Business Privilege License Application and prepaid Business Privilege Tax is due within 60 days of the approval of construction permits.
- 2) Any out of town contractor conducting business within Montgomery Township for all or part of 15 or more days within the calendar year must file a Montgomery Township Business Privilege Tax Return.
- 3) All compensation received from the performance of a contract to construct, alter, repair or improve real property constitutes receipts subject to Business Privilege Tax.
- 4) The gross receipts shall reflect the total contract price received or receivable as stated by the terms of a contract.
- 5) The contract price shall reflect any consideration made for the entire service provided by the contractor, including tangible personal property, labor, materials, supervision, overhead costs and profits, without deduction therefrom.
- 6) No deductions shall be made with respect to amounts paid to subcontractors or suppliers.
- 7) Example: Electrical Contract for \$50,000 has a tax due of \$75. ($\$50,000 \times 0.0015 = \75)
- 8) You are entitled to receive a written explanation of your rights with regard to an audit, appeal, enforcement, refund or collection of local taxes. The Montgomery Township Disclosure Statement, Rules and Regulations and Business Tax Ordinances are available upon request.

Currently, the annual Business Privilege Tax for each calendar year is at the rate of $1 \frac{1}{2}$ (1.50) mills on each dollar of the gross volume of business transacted during the business tax year. In general, the "gross receipts" or "gross volume of business" upon which the tax is imposed is the value of all cash, credits or property received which is attributable to the carrying on of business in the Township, undiminished by any costs of business, including both services, labor and materials entered into or becoming component parts of the services performed within the Township. For more detailed information on the Business Privilege Tax, please reference the ordinance and regulations.

Also, it is the responsibility of the business to obtain tax forms and information relating to Montgomery Township's taxes. Failure to receive forms does not exempt the business from the penalties and interest that will result from failure to file a return and make payment as required by the current tax ordinance.

Lastly, it is imperative that your business contact the Planning and Zoning Department to determine what additional permitting and application fees are required of your business to be in full compliance with the Township's statutes.

Respectfully,

Ami Farburton

Tax Administrator and Finance Director