

How would I be notified of a violation of the law?

If the offender is an existing business that was denied a license or had its license revoked, the business will be contacted by the department in person or in writing, in an effort to resolve the tax delinquencies. If that effort fails, the offender would then be directed to surrender its license. A business that refuses to surrender its license may be charged with operating without a valid sales tax license.

If my sales tax license is revoked/expired can I continue to sell non-taxable items that do not require the collection of sales tax?

A company engaged in business other than the sale or rental of taxable merchandise or services may continue to do so without a sales tax license. However, making any taxable items available for purchase without a valid sales tax license is a summary offense, and the business may be cited by the department.

If I am current with my sales tax returns and payments but have other tax liabilities, can my sales tax license be revoked?

Yes. Other tax liabilities (employer withholding, corporate taxes, personal income tax, etc.) can result in revocation or denial of a sales tax license.

What can I do to have a revoked license reinstated?

Before a license is reinstated, the business must file all non-filed tax returns, pay any outstanding liabilities or enter into a payment plan arrangement with the department. Once a delinquency is resolved, the license may be reinstated.

If I am convicted of violating the sales tax law, can I still be charged with theft, tax evasion or similar offenses?

Yes. The sales tax law only addresses operating without a valid sales tax license. It does not address other criminal offenses, such as misdemeanor or felony charges.

FOR GENERAL TAX QUESTIONS:

Online Customer Service Center
www.revenue.state.pa.us

Taxpayer Service & Information Center
Personal Taxes: 717-787-8201
Business Taxes: 717-787-1064
e-Business Center: 717-783-6277

1-888-PATAXES (728-2937)
Touch-tone service is required for this toll-free call. Call to order forms or check the status of a personal income tax account, corporation tax account or property tax and rent rebate.

Automated Forms Ordering Service
1-800-362-2050

Services for Taxpayers with Special Hearing and/or Speaking Needs
1-800-447-3020

Call or visit the Revenue district office nearest you, listed in the blue pages of your local phone directory.

www.revenue.state.pa.us

PENNSYLVANIA SALES AND USE TAX



All individuals and businesses that make taxable sales or rentals or provide taxable services must be licensed to operate in Pennsylvania and must regularly report and remit sales tax to the Department of Revenue.



How do I register to collect and remit sales tax?

All businesses and individuals selling products and services subject to sales tax must register for a sales tax license online at www.paopenforbusiness.com or by completing the PA Enterprise Registration Form, PA-100. The form is available at www.revenue.state.pa.us and from Revenue's Forms Ordering Service, 1-800-362-2050. The sales tax license, which must be renewed every five years, should be prominently displayed at the business's location.

Pennsylvania's sales tax rate is 6 percent, and an additional 1 percent local sales tax applies to items purchased or used in Allegheny County. Two percent local tax applies to items purchased or used in Philadelphia. Prior to Oct. 8, 2009, the Philadelphia local tax was 1 percent.

Do I need a sales tax license to sell taxable items at a craft show or similar place?

Yes. Out-of-state vendors should review brochure REV-778, PA Tax Obligations for Out-of-State Vendors, for information on transient vendor licenses.

Can a promoter who allows an unlicensed vendor to operate at a show be charged with violation of the law?

No. While a promoter may face revocation of his/her promoter's license for failing to ensure compliance with licensing requirements, it is the individual vendor of taxable merchandise or services who is responsible and would face prosecution.

I am having a yard sale. Should I apply for a license?

If your yard sale qualifies as an isolated sale, you do not need a license or to collect sales tax. An isolated sale is an infrequent sale of tangible property by someone who is not in the business of selling that property and does not hold reoccurring sales more frequently than three times a year or for more than seven days total in a year.

How often do I need to remit sales tax?

All new businesses must file quarterly returns during the first year of business. Returns are due by

the 20th of the month following the close of the previous quarter. After the first year, the department dictates a semi-monthly, monthly, quarterly or semi-annual filing schedule, based on how much sales tax a company collects.

How do I report sales tax?

Sales tax returns and payments must be filed electronically – online or by telephone. After registering, a business will be able to file returns and payments online through e-TIDES at www.etides.state.pa.us. Businesses may also file and remit sales tax using the business TeleFile phone system at 1-800-748-8299.

Can I start doing business and collecting tax before I receive my license?

Yes. Having the license physically in your possession is not necessary to make taxable sales or provide taxable services. Keep records of how much tax was collected and remit that tax in a timely manner. A copy of the sales tax license (or PA-100 or four-digit Web registration PIN if the license has not been received yet) should be prominently displayed at the business's location.

How do I know what items or services are subject to Pennsylvania sales tax?

The department's Retailers' Information Guide (REV-717) contains listings of most taxable and non-taxable items and descriptions of taxable services. It can be downloaded from the department's website or requested through the department's Forms Ordering Service. This publication is updated every three years.

What is included in the purchase price of an item?

The purchase price includes the total value of the items delivered or services provided, including such costs as insurance, delivery, shipping and handling. These charges are taxable even if they are listed separately on an invoice.

Why must I file a return for a period during which I collected no tax?

All license holders must file returns even for periods when no taxable sales were made. Such "zero returns" enable the department to distinguish

between businesses that made no taxable sales and those that collected taxes and failed to remit them.

When is labor subject to sales tax?

Fees for labor are taxed when the labor is expended on a taxable item. For example, repairs to a vehicle, appliance or jewelry are taxable. Labor charges to install or repair items that become part of real estate – such as repairs to a water heater, boiler or new roof – are not taxable.

How do I apply for a sales tax exemption?

Certain charitable, religious and nonprofit organizations and volunteer fire companies qualify for sales tax exemptions. Such an organization must complete the Sales Tax Exemption Application (REV-72) to apply and provide its Articles of Incorporation or bylaws and current financial statement.

What is use tax?

Use tax is the counterpart of sales tax and applies to purchases made over the Internet, through toll-free numbers (800, 888, 877), from mail-order catalogs and from out-of-state locations when sales tax was not charged and collected by the seller. The use tax rate is the same as the sales tax rate: 6 percent state tax, plus an additional 1 percent local tax for items purchased or used in Allegheny County and 2 percent local tax for Philadelphia. Use tax liabilities incurred by individual taxpayers can be reported annually on the PA Personal Income Tax Return (PA-40) or shortly following the time of purchase using a Use Tax Return (PA-1). Sales tax licensees should report and pay use tax through e-TIDES or the TeleFile phone system. Non-licensed, business taxpayers should remit use tax using a Use Tax Return (PA-1). Visit www.revenue.state.pa.us/usetax for more information on use tax reporting responsibilities and options.

What are the criminal penalties for violating the sales tax law?

The department has the authority to issue citations to people who, without a valid PA sales tax license, sell or lease items subject to sales tax. Operating without a sales tax license or with a revoked license could result in a conviction of a summary offense and a fine between \$300 and \$1,500 for each offense.