CITY OF BETHLEHEM

TAX BUREAU

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TO: **Vendors at Temporary Events**

SUBJECT: Business Privilege Licenses
Business Privilege & Mercantile Tax

TRI-STATE FINANCIAL GROUP
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610-270-9520

The following is a summary of the rules and regulations that affect vendors at Temporary Events:

BUSINESS PRIVILEGE LICENSE

Any person or business desiring to do business at any Temporary Event within the City of Bethlehem must first obtain a Business Privilege and Mercantile Tax License from ***Tri-State Financial Group***. The fee for a Business Privilege License is $25.00 annually. Licenses issued to persons or businesses are valid for the one-year term, May 1 of the current year through April 30 of the following and no additional licenses need to be obtained for participation in additional Temporary Events within the City of Bethlehem during the one-year term.

A City of Bethlehem business which has obtained a business privilege license for their permanent location within the City of Bethlehem will not be required to obtain a separate license to participate in any festival, fair, carnival, craft fair or any other Temporary Event so long as the business conducted at such Temporary Event is the same as the business conducted at the license holder's regular place of business in Bethlehem.

Any person desiring to conduct any business, at any Temporary Event shall not be required to obtain a license if such Temporary Event does not exceed one (1) day; provided, however, that such persons subject to this exemption will be required to make and file tax returns and remit tax due in accordance with Section 301C of the Business Privilege and Mercantile Tax Regulations (within forty-five (45) days of the close of the one (1) day Temporary Event).

Licenses obtained for Temporary Events shall be posted in a conspicuous place upon the booth, stand, cart or other temporary place of business at each Temporary Event location.

Business Privilege and Mercantile Tax Licenses may not be assigned or transferred. Any purported transfer or assignment shall be void and ineffective.

In the event of loss, defacement or destruction of any license, the licensee shall apply for a replacement license. The fee for a replacement license is $10.00.

Taxpayer's change of address must be reported in writing to ***Tri-State Financial Group*** within ten (10) days after such change becomes effective.

Persons and/or businesses that engage in a business, profession, or other commercial activity without having first procured a Business Privilege and Mercantile Tax License are subject to penalty and fine.

BUSINESS PRIVILEGE AND MERCANTILE TAX RETURNS & PAYMENT OF TAX

The City of Bethlehem levies a Business Privilege and Mercantile Tax for general revenue purposes on the privilege of doing business within the City of Bethlehem.

The rate of tax of the whole or gross volume of business transacted during Temporary Events shall be calculated as follows:

- On receipts attributable to the retail sales of merchandise the rate shall be one and one-half mills or one dollar and fifty cents ($ 1.50) on every one thousand dollars ($ 1,000.00) of gross volume of business.
- On receipts attributable to all other business the rate shall be one and one-half mills or one dollar and fifty cents ($ 1.50) on every one thousand ($ 1,000.00) of gross volume of business.

FOR EXAMPLE: The tax would be computed as follows:

Gross Receipts = $ 1,000.00	Tax = $ 1.50
Gross Receipts = $ 5,000.00	Tax = $ 7.50
Gross Receipts = $ 10,000.00	Tax = $ 15.00
Gross Receipts = $ 100,000.00	Tax = $ 150.00

EXEMPTIONS FROM THE TAX:

- Pennsylvania Sales Tax may be excluded from the computation of gross receipts.
- Organizations that meet the tests to qualify as a "purely public charity" are exempted from the tax. However, applications for a license must be filed with ***Tri-State Financial Group*** for business registration purposes. The application/return must be accompanied by the $25.00 administrative fee. Copies of the "five-part" test to qualify as a "purely public charity" are available from ***Tri-State Financial Group.***

NON-PROFIT BUSINESSES - PLEASE NOTE that the exclusion from taxation of the receipts from the business of non-profit religious, charitable or educational organizations are limited to those receipts derived from activities which are connected to the non-commercial operation of the organization. Commercial activities carried on by such an organization are taxable. All business income of non-profit religious, charitable and educational organizations is taxable.

Tax returns shall be made using forms approved by ***Tri-State Financial Group*** and may inquire as to business name, type of activity, business receipts, and any other information reasonably necessary to accurately determine taxpayer identity and liability. Tax returns must be filed whether or not tax is due. The failure to receive a tax return, or form, by mail from ***Tri-State Financial Group*** does not relieve the taxpayer of the responsibility to timely file a tax return.

The 1st Monday of each May is the due date of the current license year. If a vendor/business is a returning participant, and has not renewed their license and paid the gross receipts tax, they should remit amount due using the ***Tri-State Business Privilege Tax Return***, not the application. New participants should complete the ***Tri-State Business Registration/Mercantile License Application*** and return to Tri-State with their $25 license payment.

Participants in Temporary Events within the City are required to make and file tax returns and pay the tax due thereon within 45 days of the close of the temporary, seasonal or itinerant business activity. Vendors at fairs, festivals, and craft shows/fairs shall be considered to be temporary, seasonal or itinerant businesses.

Failure to comply with the provisions of the City of Bethlehem Codified Ordinance, Article 341 (Business Privilege and Mercantile Tax Ordinance) may result in both civil and criminal sanctions, including:

Administrative Penalty and Interest. If a person fails to pay the tax when due, a penalty of ten percent (10 %) of the tax due and unpaid shall be added thereto plus additional penalty of one percent (1%) per month for each month the tax, or part of the tax, remains unpaid.

Revocation of License. The Business Privilege and Mercantile Tax License of any person or business entity who fails to file any declaration of estimated tax or any tax return required under Article 341 of the Codified Ordinances of the City of Bethlehem, or who files a false declaration of estimated tax or a false tax return, may, after notice and hearing, be revoked.

Issuance of Non-Traffic Citation. ***Tri-State Financial Group*** may file a Non-Traffic Citation against any taxpayer who violates any provision of Article 341 of the Codified Ordinances of the City of Bethlehem. Each twenty-four (24) hour period during which such violation continues shall be considered a separate and distinct offense punishable as outlined in the Business Privilege and Mercantile Tax Ordinance. Such violations include, but are not limited to:

1. Failure to obtain a Business Privilege and Mercantile Tax License.

2. Failure to make and file a required report or return.

3. Failure to remit any tax due.

4. Knowingly making false or fraudulent report or return.

A $25.00 charge will be levied each time a check is returned from the bank unpaid. Checks issued in violation of the Pennsylvania Crimes Code will be referred to appropriate authorities for possible criminal prosecution.

If you should have any questions regarding the Business Privilege/Mercantile Tax, Business Privilege License please contact ***Tri-State Financial Group.*** **Their hours of operation are *8:30am through 4:30pm*, Monday – Friday and telephone number *610-270-9520.***

If you desire an "Administrator's Ruling" on a specific issue regarding any of the aforementioned taxes please submit all of the facts in writing to ***Tri-State Financial Group.***

- All Temporary Event Vendors who do not have Pennsylvania Sales Tax Licenses are encouraged to contact the Pennsylvania Department of Revenue 610-861-2000.

Copies of the Ordinances, Regulations, and the Tax Bureau's Disclosure Statement are available free of charge from the City of Bethlehem Tax Bureau. (610) 865-7022

Please complete either the *Tri-State Business Privilege Tax Return or the Business Registration/Mercantile License Application, which ever applies,* and submit it to Tri-State Financial Group along with your remittance. The Business Privilege License will be mailed to the mailing address listed on the form, unless you request otherwise. Also please note on the registration form that you are a "Festival Vendor" listing the name of the festival.