

**Wilson School District FAQ and Answer regarding: Rental Receipts**

**QUESTION: ARE RENTAL RECEIPTS SUBJECT TO THE DISTRICT'S BUSINESS PRIVILEGE TAX AND DO I HAVE TO FILE A TAX RETURN IF MY ONLY RECEIPTS ARE FROM LEASES?**

**SHORT ANSWER: YES; TAXPAYERS HAVE ALWAYS BEEN REQUIRED TO INCLUDE RENTAL RECEIPTS IN THE BUSINESS PRIVILEGE TAX BASE.**

DISCUSSION: On September 19, 2014, the Commonwealth Court issued its decision in *Fish, Hrabrick and Briskin v. Township of Lower Merion*. The Court held that Lower Merion's business privilege tax could not be imposed against the taxpayers who were lessors of real property in the township. The Commonwealth Court's decision did not affect the District's Business Privilege Tax because the District's Tax was grandfathered. In any event, on December 21, 2015, the Pennsylvania Supreme Court overruled the Commonwealth Court's decision and reaffirmed that local taxing authorities may require that rental receipts be included in the tax base of a privilege tax.