



City of Reading Citizens' Service Center
815 Washington Street
Reading Pennsylvania 19601-3690
(610) 655-6508 Fax (610) 655-6242
csc@readingpa.org
www.readingpa.gov

ITINERANT BUSINESS PRIVILEGE LICENSE
QUESTIONNAIRE GUIDE

Please use this guide as a reference when filling out the Business Privilege License Application. Please note the number correspondence to the License Application.

1. **Business Name:** Enter the name of the business as it is recognized by the general public.
2. **FEIN:** Enter the business's Federal ID number. If this business is a sole proprietorship and does not have an FEIN, use the proprietor's social security number.
8. **Start Date of Construction within the City of Reading:** Enter the date the construction project will commence in the City of Reading, PA.
9. **Expected Date of Completion of Construction:** Enter projected date of completion of construction project within the City of Reading, PA.
10. **What type of construction work is being done:** Please provide a complete description of the nature of the construction work being performed within the City of Reading, PA.
11. **Site of Construction:** This must be a location within the corporate limits of the City of Reading, PA.
12. **Amount of Contract or Permit:** Enter dollar-value of construction project as specified by contract (*Please be aware that the submitted figure is subject to audit and it must be the gross amount prior to expenses and sub-contractor payments/distributions*).

14. Organization & Type of business:

Organization

Proprietorship – One individual owns all assets and is solely responsible for all liabilities of the business. Owner files Schedule C forms with his/her personal return with the IRS.

Partnership – An association of two or more persons to carry on, as co-owners, a business for profit. Partnerships have written agreements between partners called "Articles of Partnerships" and file Federal 1065 Partnership returns with the IRS.

LLP/LP (Limited Liability Partnership) - A form of entity where a general partnership registers with the state as LLP or LP. Partners' liability to third parties is limited.

LLC (Limited Liability Company) – An unincorporated form of business with no restrictions on ownership, taxed as a partnership, and whose members' liability to third parties is limited.

S-Corp– Similar to a C-Corp but the corporation in which, under certain conditions, may elect to have its taxable income taxed to its individual shareholders. Subchapter S corporations file "informational" Federal 1120S returns with the IRS.

C-Corp (General Corporation) – A legal entity ordinarily consisting of an association of a number of individual stockholders. Corporations have written charters called "Articles of Incorporation" as well as written bylaws. Corporations file Federal 1120 returns with the IRS.

Association – Typically associated with Non-Profit entities.

Fiduciary – A legal entity holding assets for another party with legal authority and duty to make decisions regarding financial matters on behalf of the other party.

15. **Accounting Basis:** Cash Basis-Recognizes income and expenses when they are received in and /or paid out. Accrual Basis-Recognizes income and expenses when they are earned or incurred.
16. **Accounting Year:** *Fiscal Year*-Yearly business cycle that is NOT calendar (January-December) year.
17. **No. Of Employees (W-2 Recipients):** Only include the number of individuals employed at the City of Reading job site. If subcontractors are employed and/or your firm issues 1099's, please complete item 19.
18. **Monthly Payroll:** Monthly Payroll figure is only applicable to those individuals assigned to your City of Reading job site.
- 20-23. *If the contractor is a proprietorship, enter the Proprietor's information. Otherwise, please skip questions 20-23 and continue onto question #24.*
24. **If the Contractor Is A Partnership, LLP, LP, Corporation (C or S), or LLC List:** List all General Partners, Corporate Officers, or Members in the space provided.
25. **Name of Previous Owner:** If you purchased or took over an existing business list the previous owners' (and previous business' name, if applicable) name(s).
26. **Previous Business Address:** If the business moved, list its previous address.
27. *The proprietor must sign this form in the Citizens' Service Center or have his/her signature notarized. If the business is a Partnership, all general partners must sign where indicated. If a Corporation, a Corporate Officer must sign where indicated.*

BUSINESS PRIVILEGE LICENSE REQUIREMENT AND BUSINESS PRIVILEGE TAX CALCULATIONS FOR ITINERANT CONTRACTORS:

BUSINESS PRIVILEGE LICENSE-An annual Business Privilege License payment is required. The fee is \$55.00/year and is valid from January 1 through December 31 of the current year.

BUSINESS PRIVILEGE TAX- All work that is performed within the City of Reading is subject to Business Privilege Tax. The tax is based on the Gross Receipts attributable to the work being performed within the City of Reading, PA at the rate of 2-1/4 mils (.00225). A two percent discount is permitted if the tax is promptly paid.

SHORT-TERM PROJECTS-Payment of the Business Privilege Tax should be submitted (at the two percent discount) at the time the Codes'/Trades' Permit is obtained.

LONG-TERM PROJECTS-Contractors should file and submit payment of Business Privilege Tax as often as the revenues for the particular job are recognized on a **percentage of completion basis**.

IF CONTRACTOR HAS EMPLOYEES-

Contractors with individuals employed at City of Reading job sites must register separately with the City of Reading's Earned Income Tax and Local Services Tax collector as follows:

Berks Earned Income Tax Bureau
920 Van Reed Rd.
Wyomissing, PA 19610
610.372.8439
www.berkseit.com

The following local payroll taxes are levied by the City of Reading, PA and administered/collected by Berks Earned Income Tax Bureau:

- **Earned Income Tax**-Must be deducted for all individuals employed at the employer's City of Reading location. The rate is 3.6% for all City of Reading residents; 1.3% for non-city residents.
- **Local Services Tax**-Must be deducted at the rate of \$1.00 per week per individuals employed at the employer's City of Reading location.

Application Checklist:

NEEDED BEFORE BUSINESS PRIVILEGE LICENSE CAN BE ISSUED:

- **CODES/TRADES PERMIT(S)**

DID YOU:

- Complete the Questionnaire?
- Sign the Questionnaire/Have Your Signature Notarized if Questionnaire is Not Signed in the Citizens' Service Center?
- Pay the \$55 License Fee? (Your check should be made payable to the *City of Reading*)
- Mail completed Questionnaire along with your check to:

CITY OF READING CITIZENS SERVICE CENTER
CITY HALL
815 WASHINGTON ST.
READING PA 19601-3690

The City of Reading wishes you the best with your business!