

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 744

Session of
1987

INTRODUCED BY LLOYD, TRELLO, TELEK, CORRIGAN, ANGSTADT, OLASZ,
CAWLEY, FARGO, JOHNSON, COWELL, D. R. WRIGHT, STABACK,
DOMBROWSKI, VEON, TIGUE, KUKOVICH, COY, KOSINSKI, BUNT,
ITKIN, DISTLER, CAPPABIANCA, PISTELLA, MRKONIC, WOGAN AND
REBER, MARCH 10, 1987

REFERRED TO COMMITTEE ON FINANCE, MARCH 10, 1987

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),
2 entitled "An act empowering cities of the second class,
3 cities of the second class A, cities of the third class,
4 boroughs, towns, townships of the first class, townships of
5 the second class, school districts of the second class,
6 school districts of the third class and school districts of
7 the fourth class including independent school districts, to
8 levy, assess, collect or to provide for the levying,
9 assessment and collection of certain taxes subject to maximum
10 limitations for general revenue purposes; authorizing the
11 establishment of bureaus and the appointment and compensation
12 of officers, agencies and employes to assess and collect such
13 taxes; providing for joint collection of certain taxes,
14 prescribing certain definitions and other provisions for
15 taxes levied and assessed upon earned income, providing for
16 annual audits and for collection of delinquent taxes, and
17 permitting and requiring penalties to be imposed and
18 enforced, including penalties for disclosure of confidential
19 information, providing an appeal from the ordinance or
20 resolution levying such taxes to the court of quarter
21 sessions and to the Supreme Court and Superior Court,"
22 further regulating interest and penalties.

23 The General Assembly of the Commonwealth of Pennsylvania
24 hereby enacts as follows:

25 Section 1. Division VIII of section 13 and sections 16 and
26 22 of the act of December 31, 1965 (P.L.1257, No.511), known as

1 The Local Tax Enabling Act, are amended to read:

2 Section 13. Earned Income Taxes.--* * *

3 VIII. Interest and Penalties

4 If for any reason the tax is not paid when due, interest at
5 the rate of up to six percent per annum on the amount of said
6 tax, and an additional penalty of up to one-half of one percent
7 of the amount of the unpaid tax for each month or fraction
8 thereof during which the tax remains unpaid, [shall] may be
9 added and collected, provided that no such interest or penalty
10 shall be enforced against any person unless the political
11 subdivision has provided written notice to that person advising
12 that a tax is owed and that such interest or penalty will be
13 enforced if such tax is not paid within 60 days. Where suit is
14 brought for the recovery of any such tax, the person liable
15 therefor shall, in addition, be liable for the costs of
16 [collection] suit and the interest and penalties herein imposed.
17 Notwithstanding any other provision of law and except as
18 specifically authorized herein, no political subdivision shall
19 levy, assess, prescribe, or enforce any interest, penalty or
20 other fee when the tax is not paid. No political subdivision
21 shall levy, assess, prescribe, or enforce any interest, penalty
22 or other fee upon or against any person who paid such tax when
23 it was due. No political subdivision which questions if a tax
24 has been paid shall levy, assess, prescribe or enforce any
25 interest, penalty or other fee upon or against any person for
26 the cost to the political subdivision of determining that such
27 tax was paid prior to the time at which payment was questioned
28 by the political subdivision.

29 * * *

30 Section 16. Limitation on Assessment.--No assessment may be

1 made of any tax imposed under this act, including the earned
2 income tax, more than five years after the date on which such
3 tax should have been paid except where a fraudulent return [or
4 no return] has been filed or where, despite notice that such tax
5 was due, no return has been filed.

6 Section 22. Penalties.--Except as otherwise provided in the
7 case of any tax levied and assessed upon earned income, any such
8 political subdivision shall have power to prescribe and enforce
9 reasonable penalties for the nonpayment, within the time fixed
10 for their payment, of taxes imposed under authority of this act
11 and for the violations of the provisions of ordinances or
12 resolutions passed under authority of this act, provided that no
13 such interest or penalty shall be enforced against any person
14 unless the political subdivision has provided written notice to
15 that person advising that a tax is owed and that such interest
16 or penalty will be enforced if such tax is not paid within 60
17 days.

18 If for any reason any tax levied and assessed upon earned
19 income by any such political subdivision is not paid when due,
20 interest at the rate of up to six percent per annum on the
21 amount of said tax, and an additional penalty of up to one-half
22 of one percent of the amount of the unpaid tax for each month or
23 fraction thereof during which the tax remains unpaid, [shall]
24 may be added and collected, provided that no such interest or
25 penalty shall be enforced against any person unless the
26 political subdivision has provided written notice to that person
27 advising that a tax is owed and that such interest or penalty
28 will be enforced if such tax is not paid within 60 days. When
29 suit is brought for the recovery of any such tax, the person
30 liable therefor shall, in addition, be liable for the costs of

1 [collection] suit and the interest and penalties herein imposed.
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3 specifically authorized herein, no political subdivision shall
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5 other fee when the tax is not paid. No political subdivision
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7 or other fee upon or against any person who paid a tax when it
8 was due. No political subdivision which questions if a tax has
9 been paid shall levy, assess, prescribe or enforce any interest,
10 penalty or other fee upon or against any person for the cost to
11 the political subdivision of determining that such tax was paid
12 prior to the time at which payment was questioned by the
13 political subdivision.

14 Section 2. This act shall be retroactive to January 1, 1984.

15 Section 3. This act shall take effect immediately.