

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 580 Session of
2005

INTRODUCED BY NICKOL, ARGALL, ARMSTRONG, BELFANTI, BENNINGHOFF,
BOYD, BUNT, BUXTON, CAPPELLI, CAWLEY, CLYMER, CORNELL, COSTA,
CRAHALLA, CURRY, DeLUCA, DENLINGER, DeWEESE, ELLIS, J. EVANS,
FABRIZIO, FAIRCHILD, FICHTER, FLEAGLE, FLICK, FREEMAN, GEIST,
GEORGE, GILLESPIE, GINGRICH, GODSHALL, GOODMAN, GRUCELA,
HARRIS, HENNESSEY, HERSHEY, HICKERNELL, HUTCHINSON, KAUFFMAN,
KENNEY, KILLION, KOTIK, LEACH, LEH, LEVDANSKY, MACKERETH,
MAHER, MAJOR, MANDERINO, MANN, MARKOSEK, MARSICO, MCGILL,
McNAUGHTON, MELIO, MILLARD, R. MILLER, S. MILLER, MUNDY,
NAILOR, O'NEILL, PALLONE, PETRI, PICKETT, PISTELLA, REED,
ROHRER, RUBLEY, SANTONI, SATHER, SAYLOR, SCAVELLO, SCHRODER,
SEMMELE, SHANER, SOLOBAY, STABACK, STEIL, STETLER,
T. STEVENSON, STURLA, SURRA, E. Z. TAYLOR, THOMAS, TIGUE,
TRUE, WALKO, WANSACZ, WATSON, WILT, YOUNGBLOOD AND ZUG,
FEBRUARY 16, 2005

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 16, 2005

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 employees 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,"

1 further providing for payment of the emergency and municipal
2 services tax.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Section 2(9) of the act of December 31, 1965
6 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended
7 December 1, 2004 (P.L.1729, No.222), is amended to read:

8 Section 2. Delegation of Taxing Powers and Restrictions
9 Thereon.--The duly constituted authorities of the following
10 political subdivisions, cities of the second class, cities of
11 the second class A, cities of the third class, boroughs, towns,
12 townships of the first class, townships of the second class,
13 school districts of the second class, school districts of the
14 third class, and school districts of the fourth class, in all
15 cases including independent school districts, may, in their
16 discretion, by ordinance or resolution, for general revenue
17 purposes, levy, assess and collect or provide for the levying,
18 assessment and collection of such taxes as they shall determine
19 on persons, transactions, occupations, privileges, subjects and
20 personal property within the limits of such political
21 subdivisions, and upon the transfer of real property, or of any
22 interest in real property, situate within the political
23 subdivision levying and assessing the tax, regardless of where
24 the instruments making the transfers are made, executed or
25 delivered or where the actual settlements on such transfer take
26 place. The taxing authority may provide that the transferee
27 shall remain liable for any unpaid realty transfer taxes imposed
28 by virtue of this act. Each local taxing authority may, by
29 ordinance or resolution, exempt any person whose total income
30 from all sources is less than twelve thousand dollars (\$12,000)

1 per annum from the per capita or similar head tax, occupation
2 tax and emergency and municipal services tax, or earned income
3 tax, or any portion thereof, and may adopt regulations for the
4 processing of claims for exemptions. Such local authorities
5 shall not have authority by virtue of this act:

6 * * *

7 (9) To levy, assess or collect any tax on individuals for
8 the privilege of engaging in an occupation (emergency and
9 municipal services tax) except that such a tax may be levied,
10 assessed and collected only by the political subdivision of the
11 taxpayer's place of employment.

12 Payment of any emergency and municipal services tax to any
13 political subdivision by any person pursuant to an ordinance or
14 resolution passed or adopted under the authority of this act
15 shall be no less than ten dollars (\$10) nor more than fifty-two
16 dollars (\$52) on each person for each calendar year.

17 Beginning in calendar year 2006, any political subdivision
18 that commences to levy any emergency and municipal services tax
19 at a rate of more than twenty dollars (\$20) or increases a levy
20 of any emergency and municipal services tax at a rate of more
21 than twenty dollars (\$20) shall permit any person to enter into
22 periodic installment payments with the employer who is
23 withholding the tax, to pay the emergency and municipal services
24 tax in periodic installments, unless the person elects to make a
25 lump-sum payment. If the person enters into a periodic
26 installment payment arrangement with the employer to pay the
27 emergency and municipal services tax and the person's employment
28 is later severed, the person shall be held liable for the entire
29 balance of the tax, to be paid in full to the employer within
30 one week of the date of severance.

1 The situs of such tax shall be the place of employment, but,
2 in the event a person is engaged in more than one occupation, or
3 an occupation which requires his working in more than one
4 political subdivision during the calendar year, the priority of
5 claim to collect such emergency and municipal services tax shall
6 be in the following order: first, the political subdivision in
7 which a person maintains his principal office or is principally
8 employed; second, the political subdivision in which the person
9 resides and works, if such a tax is levied by that political
10 subdivision; third, the political subdivision in which a person
11 is employed and which imposes the tax nearest in miles to the
12 person's home. The place of employment shall be determined as of
13 the day the taxpayer first becomes subject to the tax during the
14 calendar year.

15 It is the intent of this provision that no person shall pay
16 more than fifty-two dollars (\$52) in any calendar year as an
17 emergency and municipal services tax irrespective of the number
18 of political subdivisions within which such person may be
19 employed within any given calendar year.

20 In case of dispute, a tax receipt of the taxing authority for
21 that calendar year declaring that the taxpayer has made prior
22 payment which constitutes prima facie certification of payment
23 to all other political subdivisions.

24 * * *

25 Section 2. This act shall take effect in 60 days.