

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1427

Session of
2005

INTRODUCED BY DENLINGER, ARMSTRONG, BALDWIN, BARRAR, BIANCUCCI,
BOYD, CALTAGIRONE, CAPPELLI, CLYMER, CRAHALLA, CREIGHTON,
DALLY, GINGRICH, GOOD, HARPER, HERSHEY, HUTCHINSON, LEH,
MAHER, NICKOL, RAYMOND, REICHLEY, ROSS, RUBLEY, SAYLOR,
SCAVELLO, SCHRODER, STEIL, THOMAS, TIGUE, TURZAI, WILT,
YOUNGBLOOD AND GERGELY, APRIL 28, 2005

SENATOR EARLL, FINANCE, IN SENATE, AS AMENDED,
SEPTEMBER 26, 2006

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 providing for collection of taxes, for audits of~~ <—
23 ~~earned income taxes, for earned income taxes, for suits for~~
24 ~~tax collection, for penalties and for delinquent tax~~
25 ~~collection costs.~~ FURTHER PROVIDING FOR RECAPTURE OF TAX, FOR <—
26 REGISTER FOR EARNED INCOME AND OCCUPATIONAL PRIVILEGE TAXES,
27 FOR COLLECTION OF TAXES, FOR AUDITS OF EARNED INCOME TAXES
28 AND FOR EARNED INCOME TAXES; PROVIDING CONSOLIDATED

1 COLLECTION OF LOCAL INCOME TAXES; FURTHER PROVIDING FOR
2 COLLECTION OF DELINQUENT TAXES, FOR PENALTIES AND FOR COSTS
3 OF DELINQUENT TAX COLLECTION; MAKING EDITORIAL CHANGES; AND
4 MAKING REPEALS.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 ~~Section 1. Section 10 of the act of December 31, 1965~~ <—
8 ~~(P.L.1257, No.511), known as The Local Tax Enabling Act, amended~~
9 ~~November 30, 2004 (P.L.1520, No.192) and December 1, 2004~~
10 ~~(P.L.1729, No.222), is amended to read:~~

11 ~~Section 10. Collection of Taxes. (a) Administrative~~
12 ~~Personnel; Joint Agreements. Except as provided in subsections~~
13 ~~(b) and (c), [any such] a political subdivision is hereby~~
14 ~~authorized to provide by ordinance or resolution for the~~
15 ~~creation of bureaus or the designation [of such bureaus or the],~~
16 ~~appointment and compensation of [such] officers, [clerks,~~
17 ~~collectors,] public employes, private agencies or other [person~~
18 ~~and other assistants] persons, and their employes[, either under~~
19 ~~existing departments, or otherwise] as [may be deemed]~~
20 ~~necessary, for the assessment and collection of taxes imposed~~
21 ~~under authority of this act. Each ordinance or resolution under~~
22 ~~this section authorizing a person, public employe or private~~
23 ~~agency to act [in the capacity and with the authority of] as a~~
24 ~~tax collector for the political subdivision shall continue in~~
25 ~~force without annual reauthorization unless otherwise repealed~~
26 ~~or revoked by the political subdivision. A political subdivision~~
27 ~~must enter into a written contract with an officer, private~~
28 ~~agency or other person, appointed or designated to collect the~~
29 ~~earned income tax.~~

30 ~~Except as provided in subsections (b) and (c), any political~~
31 ~~subdivisions imposing taxes under authority of this act are~~

1 authorized to make joint agreements for the collection of such
2 taxes or any of them. The same person or agency may be employed
3 by two or more political subdivisions to collect any taxes
4 imposed by them under authority of this act.

5 ~~(b) Single Collector for Earned Income Taxes [When Certain~~
6 ~~School Districts Impose Such Taxes] Imposed by a School~~
7 ~~District. Except as provided in subsection (c), whenever a~~
8 ~~school district of the second, third or fourth class shall be~~
9 ~~established pursuant to section 296[,] of the act of March 10,~~
10 ~~1949 (P.L.30), known as the "Public School Code of 1949," added~~
11 ~~August 8, 1963 (P.L. 564), and [such school district shall levy,~~
12 ~~assess and collect or provide for the levying, assessment and~~
13 ~~collection of] the school district levies a tax upon earned~~
14 ~~income, such school district and all cities, boroughs, towns and~~
15 ~~townships within its geographical limits which levy, assess and~~
16 ~~collect [or provide for the levying, assessment and collection~~
17 ~~of] a tax upon earned income[, may on January 1, 1967, or] shall~~
18 ~~as soon [thereafter] as the school district [shall provide for~~
19 ~~the levying, assessment and collection of taxes upon earned~~
20 ~~income, select one person or agency] has levied, assessed or~~
21 ~~collected an earned income tax, designate or appoint an officer,~~
22 ~~public employe or private agency to collect the taxes upon~~
23 ~~earned income imposed by all [such] political subdivisions~~
24 ~~within the geographic limits of the school district. In~~
25 ~~[selecting such person] order to designate or appoint the~~
26 ~~officer, public employe or private agency, each political~~
27 ~~subdivision shall share in the [selection] designation or~~
28 ~~appointment upon a basis agreed upon by each political~~
29 ~~subdivision, [or in] including the school district. In the~~
30 ~~absence of any agreement [on the basis of voting] at least~~

~~ninety days prior to the end of the appointment or the
expiration of a contract for earned income tax collection of all
political subdivisions within the school district and including
the school district, the board of school directors shall convene
a meeting with at least ten days' notice by first class mail.
The meeting shall be convened no less than sixty days prior to
the end of the appointment or the expiration of a contract for
earned income tax collection of all political subdivisions.
Voting shall be conducted according to the proportion that the
population of each bears to the entire population of the
combined collection district, according to the latest official
Federal census, and the majority of such votes cast shall
determine the [person or agency selected] bureau, officer,
public employe or private agency designated to collect the
[taxes] earned income tax. The provisions of this paragraph
shall not prohibit school districts and other political
subdivisions which levy, assess and collect [or provide for the
levying, assessment and collection of] taxes upon earned income,
under authority of this act, from [selecting] designating or
appointing the same [person] officer, public employe or private
agency to collect such tax upon earned income in an area larger
than the geographical limits of a school district established
pursuant to section 296 of the "Public School Code of 1949."~~

~~(c) Single Tax Collector in Certain Home Rule
Municipality. In a municipality having a population under the
2000 Federal decennial census of at least forty thousand and
less than ninety thousand located in a second class county which
municipality has adopted a home rule charter under 53 Pa.C.S.
Pt. III Subpt. E (relating to home rule and optional plan
government), the person or persons appointed by the board of~~

~~school directors for the school district in which the municipality is located as collector or collectors of taxes levied by the school district under this act shall also serve as the collector or collectors of taxes levied by the municipality under this act.~~

~~(d) Records. All tax collection records shall be a property of the political subdivision in which the taxes were collected. The political subdivision or its tax collector shall retain all records for at least seven years. Unclaimed tax records shall be retained for fifteen years. This subsection does not preclude a tax collector from retaining copies of tax collection records.~~

~~Section 2. Section 11 of the act is amended to read:~~

~~Section 11. Audits of Earned Income Taxes. Except in cities of the second class, [the governing body of] each political subdivision which levies, assesses and collects [or provides for the levying, assessment and collection of] a tax upon earned income, shall provide for not less than one examination each year of the books, accounts, financial statements, compliance reports and records of the income tax collector, by a certified public accountant, a firm of certified public accountants, a competent independent public accountant, or a firm of independent public accountants appointed by the [governing body] political subdivision. Whenever one person or agency is selected to collect earned income taxes for more than one political subdivision, the books, accounts and records of such person or agency shall be examined as provided above in the case of a tax collector for each political subdivision, except that the accountant shall be selected in the manner provided for selection of one person or agency to collect earned income taxes for the school district established under section 296 of the~~

~~"Public School Code of 1949," and the cities, boroughs, towns and townships within the geographical limits of such school district. The examination shall be conducted according to generally accepted governmental auditing standards and shall include a financial statement, a report on the income tax officer's compliance with this act, a list of any findings of noncompliance with this act and a copy of a management letter if one is issued by the auditor. The reports of the audit shall be sent to the governing body [or bodies] of the political subdivision [or political subdivisions] employing the accountant. If there are findings of noncompliance, a copy of the report shall be filed with the Office of Attorney General and the Department of Community and Economic Development. No further or additional audit shall be performed by elected or appointed auditors.~~

~~Section 3. Division I, Subdivision A of Division III, Division IV and Division V of section 13 of the act, amended October 4, 1978 (P.L.930, No.177), December 9, 2002 (P.L.1364, No.166), April 5, 2004 (P.L.208, No.24), and November 30, 2004 (P.L.1520, No.192), are amended and the section is amended by adding a division to read:~~

~~Section 13. Earned Income Taxes. On and after the effective date of this act the remaining provisions of this section shall be included in or construed to be a part of each tax levied and assessed upon earned income by [any] a political subdivision [levying and assessing such tax pursuant to this act]. The definitions contained in this section shall be exclusive for any tax upon earned income and net profits levied and assessed pursuant to this act, and shall not be altered or changed by [any] a political subdivision [levying and assessing such tax].~~

1 I.—Definitions

2 "Association." A partnership, limited partnership, or any
3 other unincorporated group of two or more persons.

4 "Business." An enterprise, activity, profession or any other
5 undertaking of an unincorporated nature conducted for profit or
6 ordinarily conducted for profit whether by a person,
7 partnership, association, or any other entity.

8 "Corporation." A corporation [or] ~~joint stock association or~~
9 ~~limited liability company~~ organized under the laws of the United
10 States, the Commonwealth of Pennsylvania, or any other state,
11 territory, foreign country or dependency.

12 "Current year." The calendar year for which the tax is
13 levied.

14 "Department." The Department of Community and Economic
15 Development of the Commonwealth.

16 "Domicile." The place where one lives and has his permanent
17 home and to which he has the intention of returning whenever he
18 is absent. Actual residence is not necessarily domicile, for
19 domicile is the fixed place of abode which, in the intention of
20 the taxpayer, is permanent rather than transitory. Domicile is
21 the voluntarily fixed place of habitation of a person, not for a
22 mere special or limited purpose, but with the present intention
23 of making a permanent home, until some event occurs to induce
24 him to adopt some other permanent home. In the case of
25 businesses, or associations, the domicile is that place
26 considered as the center of business affairs and the place where
27 its functions are discharged.

28 "Earned income." Compensation as determined under section 303
29 of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax
30 Reform Code of 1971," and regulations in 61 Pa. Code Pt. I

~~Subpt. B Art. V (relating to personal income tax), not including, however, wages or compensation paid to individuals on active military service. Employe business expenses are allowable deductions as determined under Article III of the "Tax Reform Code of 1971." The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income. In determining earned income, the taxpayer may not offset business losses.~~

~~"Income tax officer or officer." [Person] A bureau, person, public employe or private agency designated by [governing body] a political subdivision to collect and administer the tax on earned income and net profits authorized under this act.~~

~~"Employer." A person, partnership, association, business, corporation, limited liability company, institution, governmental body or unit or agency, or any other entity employing one or more persons for a salary, wage, commission or other compensation.~~

~~"Net profits." The net income from the operation of a business, profession, or other activity, except corporations, determined under section 303 of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," and regulations in 61 Pa. Code Pt. I Subpt. B Art. V (relating to personal income tax). In determining net profits, the taxpayer may offset business losses from one business, profession or activity against profits from another business, profession or activity. The term does not include income which is not paid for services provided and which is in the nature of earnings from an investment. For taxpayers engaged in the business, profession or activity of farming, the term shall not include:~~

~~(1) any interest earnings generated from any monetary~~

~~accounts or investment instruments of the farming business;~~

~~(2) any gain on the sale of farm machinery;~~

~~(3) any gain on the sale of livestock held twelve months or more for draft, breeding or dairy purposes; and~~

~~(4) any gain on the sale of other capital assets of the farm.~~

~~"Nonresident." A person, partnership, association, business, corporation, limited liability company or any other entity domiciled outside the taxing district.~~

~~"Person or individual." A natural person.~~

~~"Political subdivision." A city of the second class, city of the second class A, city of the third class, borough, town, township of the first class, township of the second class, school district of the second class, school district of the third class or school district of the fourth class.~~

~~"Preceding year." The calendar year before the current year.~~

~~"Private agency." Any person, partnership, association, business corporation or limited liability company, engaged in the business of collecting or administering a tax under this act.~~

~~"Resident." A person, partnership, association or any other entity domiciled in the taxing district.~~

~~"Succeeding year." The calendar year following the current year.~~

~~"Taxpayer." A person, partnership, association[,] or any other entity, required hereunder to file a return of earned income or net profits, or to pay a tax thereon.~~

~~"Tax records." Tax returns, supporting schedules, correspondence with auditors or taxpayers, account books and other documents obtained or created by the officer to implement~~

~~the collection of a tax under this act. The officer may submit computerized summaries of tax returns and other documents in lieu of the actual documents.~~

~~* * *~~

~~III.—Declaration and Payment of Tax~~

~~A.—Net Profits.~~

~~(1) Every taxpayer making net profits shall, as the [governing body] political subdivision elects, (i) pay to the officer an annual payment of tax due on or before April 15[,] of the succeeding year for the period beginning January 1[,] and ending December 31[,] of the current year, or (ii) on or before April 15[,] of the current year, make and file with the officer on a form prescribed [or approved by the officer] by the department, a declaration of his estimated net profits during the period beginning January 1[,] and ending December 31[,] of the current year, and pay to the officer in four equal quarterly installments the tax due thereon as follows: the first installment at the time of filing the declaration, and the other installments on or before June 15[,] of the current year, September 15[,] of the current year, and January 15[,] of the succeeding year, respectively.~~

~~(2) Where the [governing body] political subdivision elects to require the filing of a declaration and quarterly payments, any taxpayer who first anticipates any net profit after April 15[,] of the current year, shall make and file the declaration hereinabove required on or before June 15[,] of the current year, September 15[,] of the current year, or December 31[,] of the current year, whichever of these dates next follows the date on which the taxpayer first anticipates such net profit, and pay to the officer in equal installments the tax due thereon on or~~

~~before the quarterly payment dates which remain after the filing of the declaration.~~

~~(3) Where the [governing body] political subdivision requires a declaration of estimated net profits and quarterly payments of tax due on such profits, every taxpayer shall, on or before April 15[,] of the succeeding year, make and file with the officer on a form prescribed or approved by the officer a final return showing the amount of net profits earned during the period beginning January 1[,] of the current year, and ending December 31[,] of the current year, the total amount of tax due thereon and the total amount of tax paid thereon. At the time of filing the final return, the taxpayer shall pay to the officer the balance of tax due or shall make demand for refund or credit in the case of overpayment.~~

~~Any taxpayer may, in lieu of paying the fourth quarterly installment of his estimated tax, elect to make and file with the officer on or before January 31, of the succeeding year, the final return as hereinabove required.~~

~~(4) [The officer may be authorized to provide by regulation for the making and filing of] The department may adopt a regulation authorizing the officer to make and file adjusted declarations of estimated net profits, and for the payments of the estimated tax in cases where a taxpayer who has filed [the declaration hereinabove required] under paragraphs (1), (2) or (3) anticipates additional net profits not previously declared or finds that he has overestimated his anticipated net profits.~~

~~(5) Every taxpayer who discontinues business prior to December 31[,] of the current year[,] shall, within thirty days after the discontinuance of business, file his final return as [hereinabove] required under this division and pay the tax due.~~

1 * * *

2 IV. ~~Collection at Source~~

3 ~~(a) Every employer having an office, factory, workshop,~~
4 ~~branch, warehouse, or other place of business within the taxing~~
5 ~~jurisdiction imposing a tax on earned income or net profits~~
6 ~~within the taxing district who employs one or more persons,~~
7 ~~other than domestic servants, for a salary, wage, commission or~~
8 ~~other compensation, who has not previously registered, shall,~~
9 ~~within fifteen days after becoming an employer, register with~~
10 ~~the officer his name and address and such other information as~~
11 ~~the officer may require.~~

12 ~~(b) Every employer having an office, factory, workshop,~~
13 ~~branch, warehouse, or other place of business within the taxing~~
14 ~~jurisdiction imposing a tax on earned income or net profits~~
15 ~~within the taxing district who employs one or more persons,~~
16 ~~other than domestic servants, for a salary, wage, commission, or~~
17 ~~other compensation, shall deduct at the time of payment thereof,~~
18 ~~the tax imposed by ordinance or resolution on the earned income~~
19 ~~due to his employe or employes, and shall, on or before April~~
20 ~~30, of the current year, July 31, of the current year, October~~
21 ~~31, of the current year, and January 31, of the succeeding year,~~
22 ~~file a return and pay to the officer the amount of taxes~~
23 ~~deducted during the preceding three month periods ending March~~
24 ~~31, of the current year, June 30, of the current year, September~~
25 ~~30, of the current year, and December 31, of the current year,~~
26 ~~respectively. Such return unless otherwise agreed upon between~~
27 ~~the officer and employer shall show the name and social security~~
28 ~~number of each such employe, the earned income of such employe~~
29 ~~during such preceding three month period, the tax deducted~~
30 ~~therefrom, the political subdivisions imposing the tax upon such~~

~~employee, the total earned income of all such employees during such preceding three month period, and the total tax deducted therefrom and paid with the return.~~

~~Any employer who for two of the preceding four quarterly periods has failed to deduct the proper tax, or any part thereof, or has failed to pay over the proper amount of tax to the taxing authority, may be required by the officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the officer on or before the last day of the month succeeding the month for which the tax was withheld.~~

~~(c) On or before February 28, of the succeeding year, every employer shall file with the officer:~~

~~(1) An annual return showing the total amount of earned income paid, the total amount of tax deducted, and the total amount of tax paid to the officer for the period beginning January 1, of the current year, and ending December 31, of the current year.~~

~~(2) A return withholding statement for each employe employed during all or any part of the period beginning January 1, of the current year, and ending December 31, of the current year, setting forth the employe's name, address and social security number, the amount of earned income paid to the employe during said period, the amount of tax deducted, [the political subdivisions imposing the tax upon such employe,] each political subdivision to which the withheld tax is remitted and the amount of tax paid to the officer. Every employer shall furnish two copies of the individual return to the employe for whom it is filed.~~

~~(d) Every employer who discontinues business prior to December 31, of the current year, shall, within thirty days~~

~~after the discontinuance of business, file the returns and withholding statements hereinabove required and pay the tax due.~~

~~(e) Except as otherwise provided in section 9, every employer who wilfully or negligently fails or omits to make the deductions required by this section shall be liable for payment of the taxes which he was required to withhold to the extent that such taxes have not been recovered from the employee.~~

~~(f) The failure or omission of any employer to make the deductions required by this section shall not relieve any employe from the payment of the tax or from complying with the requirements of the ordinance or resolution relating to the filing of declarations and returns.~~

~~V. Powers and Duties of Officer~~

~~(a) It shall be the duty of the income tax officer to collect and receive [the] resident and nonresident taxes, fines and penalties imposed by the ordinance or resolution. It shall also be [his duty] the duty of the officer to keep a record showing the amount received [by him] from each person or business paying the tax and the date of such receipt.~~

~~(b) Each officer, before entering upon his official duties shall give and acknowledge a bond to the political subdivision [or political subdivisions] appointing him. If such political subdivision [or political subdivisions] shall by resolution designate any bond previously given by the officer as adequate, such bond shall be sufficient to satisfy the requirements of the subsection. The bond shall be renewed annually.~~

~~Each such bond shall be joint and several, with one or more corporate sureties which shall be surety companies authorized to do business in this Commonwealth and duly licensed by the Insurance Commissioner of this Commonwealth.~~

~~Each bond shall be conditioned upon the faithful discharge by the officer, his clerks, assistants and appointees of all trusts confided in him by virtue of his office, upon the faithful execution of all duties required of him by virtue of his office, upon the just and faithful accounting or payment over, according to law, of all moneys and all balances thereof paid to, received or held by him by virtue of his office and upon the delivery to his successor [or successors] in office of all books, papers, documents or other official things held in right of his office.~~

~~Each such bond shall be taken in the name of the appointing authority [or authorities], and shall be for the use of the political subdivision [or political subdivisions] appointing the officer, and for the use of such other person [or persons] for whom money shall be collected or received, or as his or her interest shall otherwise appear, in case of a breach of any of the conditions thereof by the acts or neglect of the principal on the bond.~~

~~The political subdivision [or political subdivisions] appointing the officer, or any person may sue upon the [said] bond in its or his own name for its or his own use.~~

~~Each such bond shall contain the name [or names] of the surety company [or companies] bound thereon. The political subdivision [or political subdivisions] appointing the officer shall fix the amount of the bond at an amount [equal to the maximum amount of taxes which may be in the possession] sufficient to secure the financial responsibility of the officer [at any given time.] in accordance with guidelines relating to the amount of the bond adopted by the department. Copies of the bond shall be filed with the political subdivision appointing the officer.~~

~~The political subdivision [or political subdivisions]
appointing the officer may, at any time, upon cause shown and
due notice to the officer, and his surety [or sureties], require
or allow the substitution or the addition of a surety company
acceptable to such political subdivision [or political
subdivisions] for the purpose of making the bond sufficient in
amount, without releasing the surety [or sureties] first
approved from any accrued liability or previous action on such
bond.~~

~~The political subdivision [or political subdivisions]
appointing the officer shall designate the custodian of the bond
required to be given by the officer. A copy of the bond shall be
made available upon request to a political subdivision, or the
officer collector appointed by the political subdivision,
seeking payment or distribution of a tax authorized by this act.~~

~~(b.1) The department shall promulgate regulations relating
to the administration, collection, enforcement, removal of
officers from office and appeal process under this act. The
regulations shall include required forms, including a
certificate of residency form, returns and declarations.~~

~~(c) The officer charged with the administration and
enforcement of the [provisions of the] ordinance or resolution
[is hereby empowered to prescribe, adopt, promulgate and
enforce, rules and regulations relating to any matter pertaining
to the administration and enforcement of the ordinance or
resolution, including provisions for the re-examination and
correction of declarations and returns, and of payments alleged
or found to be incorrect, or as to which an overpayment is
claimed or found to have occurred, and to make refunds in case
of overpayment, for any period of time not to exceed six years~~

1 subsequent to the date of payment of the sum involved, and to
2 prescribe forms necessary for the administration of the
3 ordinance or resolution. No rule or regulation of any kind shall
4 be enforceable unless it has been approved by resolution by the
5 governing body. A copy of such rules and regulations currently
6 in force shall be available for public inspection.] shall comply
7 with all regulations adopted by the department under this act.
8 The officer may use rules and regulations previously adopted by
9 the officer or the political subdivision in accordance with this
10 act until the adoption of regulations by the department.

11 (c.1) An officer shall make refunds for overpayment of taxes
12 under this act for a period not to exceed three years subsequent
13 to the date of payment.

14 (d) The officer shall refund, on petition of, and proof by
15 the taxpayer, earned income tax paid on the taxpayer's ordinary
16 and necessary business expenses, to the extent that such
17 expenses are not paid by the taxpayer's employer.

18 (e) The officer and agents designated by him are hereby
19 authorized to examine the books, papers, and records of any
20 employer [or of any taxpayer or of any], taxpayer or other
21 person whom the officer reasonably believes to be an employer or
22 taxpayer, in order to verify the accuracy of any declaration or
23 return, or if no declaration or return was filed, to ascertain
24 the tax due. Every employer [and every taxpayer and every
25 person], taxpayer or other person whom the officer reasonably
26 believes to be an employer or taxpayer, is hereby directed and
27 required to give to the officer, or to any agent designated by
28 [him] the officer, the means, facilities and opportunity for
29 such examination and investigations[, as are hereby] authorized
30 under this act.

1 ~~(f) Any information gained by the officer, his agents, or by~~
2 ~~any other official or agent of the [taxing district] political~~
3 ~~subdivision, as a result of any declarations, returns,~~
4 ~~investigations, hearings or verifications required or authorized~~
5 ~~by the ordinance or resolution, shall be confidential, except~~
6 ~~for official purposes and except in accordance with a proper~~
7 ~~judicial order, or as otherwise provided by law.~~

8 ~~(g) The officer is authorized to establish different filing,~~
9 ~~reporting and payment dates for taxpayers whose fiscal years do~~
10 ~~not coincide with the calendar year.~~

11 ~~(h) The officer shall distribute earned income taxes to the~~
12 ~~appropriate political subdivisions within sixty days of the~~
13 ~~deadline for payment by an employer as set forth in Division~~
14 ~~IV(b). [The political subdivisions] A political subdivision~~
15 ~~shall not be required to request the officer to distribute the~~
16 ~~funds collected but shall at least annually reconcile their~~
17 ~~receipts with the records of the officer and return to or credit~~
18 ~~the officer with any overpayment. A political subdivision shall~~
19 ~~not be required to pay a fee or commission to the other~~
20 ~~political subdivision or its tax officer for tax revenue~~
21 ~~distributed under this subsection. If the officer, within one~~
22 ~~year after receiving a tax payment, cannot identify the taxing~~
23 ~~jurisdiction entitled to a tax payment, he shall make payment to~~
24 ~~the municipality in which the tax was collected. If earned~~
25 ~~income taxes are not distributed to the appropriate political~~
26 ~~subdivision within one year of receipt, the political~~
27 ~~subdivision may make a written demand on a tax officer or~~
28 ~~political subdivision for tax revenues collected and~~
29 ~~attributable to residents of the political subdivision making~~
30 ~~the demand. If the taxes attributable to the residents of the~~

~~political subdivision making the demand are not paid within thirty days from the date of the demand, the political subdivision, person, public employe or private agency designated by the political subdivision may enter into an arbitration agreement with the officer under 42 Pa.C.S. Ch. 73 Subch. A (relating to statutory arbitration) or bring an action in [an appropriate] the court of common pleas where the officer is a resident or where the political subdivision is located in the name of the taxing district for the recovery of taxes not distributed in accordance with this subsection. The action must be brought within seven years of the collection of the taxes.~~

~~(i) The officer shall, on or before the tenth day of each month, provide a written report, on a form adopted by the department, to the appropriate official of each political subdivision for which taxes were collected during the previous month and to the department. The report shall include the names of taxpayers and employers, the date of collection, penalties and interest on collections, costs of collection, amounts owed to other political subdivisions, refunds, recoveries and overpayments.~~

~~(j) An income tax officer shall file an annual report with the political subdivision and the department. The report shall include all tax collection information for the most recently completed tax year as required by the department. The report shall be filed by June 15 of the year following the close of the reporting year.~~

~~* * *~~

~~X. Fines and Penalties Against Income Tax Officers~~

~~(a) A political subdivision which brings an action under Division V(h) may seek equitable relief, including an accounting~~

~~of all undistributed taxes and monetary damages in the form of recovery of the taxes not previously distributed plus interest calculated from the date that the taxes should have been distributed. In addition, the court may impose a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each tax quarter for which taxes were not distributed in accordance with Division V(h), plus reasonable costs and attorney fees. If an officer fails to distribute earned income taxes to the appropriate political subdivision as required under Division V(h), for four consecutive tax quarters, the court may impose a civil penalty not to exceed five thousand dollars (\$5,000).~~

~~(b) If an officer fails to submit the report required under Division V(i) or (j), a political subdivision entitled to receive the report may bring an action in the court of common pleas of that political subdivision and the court may impose a penalty of twenty dollars (\$20) a day for each day that the report is overdue, not to exceed five hundred dollars (\$500). If a report submitted under Division V(j) includes any findings of noncompliance, the officer is responsible for a civil penalty of not less than five hundred dollars (\$500) but not more than two thousand five hundred dollars (\$2,500).~~

~~(c) An officer who violates any other provision of this act shall be subject to a civil penalty of up to two thousand five hundred dollars (\$2,500) for each violation.~~

~~(d) An action against an officer for a violation of this act may be brought by a political subdivision in which the officer collects taxes, a political subdivision owed taxes by the officer, by a surety or by the department.~~

~~(e) A political subdivision shall remove or rescind the~~

~~appointment of an income tax official who has been penalized
under subsection (c) more than three times.~~

~~Section 4. Section 21 of the act, amended November 30, 2004
(P.L.1520, No.192), is amended to read:~~

~~Section 21. Collection of Taxes by Suit. Each [taxing
district or person,] political subdivision, bureau, officer,
public employe [or], private agency or other person designated
by the taxing district shall have power to collect unpaid taxes
from the persons owing such taxes by suit in assumpsit or other
appropriate remedy. Upon each such judgment, execution may be
issued without any stay or benefit of any exemption law. The
right of each [such taxing district] political subdivision to
collect unpaid taxes under [the provisions of] this section
shall not be affected by the fact that such taxes have been
entered as liens in the office of the prothonotary, or the fact
that the property against which they were levied has been
returned to the county commissioners for taxes for prior years.~~

~~Section 5. Section 22 of the act is amended to read:~~

~~Section 22. Penalties. Except as otherwise provided in the
case of any tax levied and assessed upon earned income, any such
political subdivision shall have power to prescribe and enforce
reasonable penalties for the nonpayment, within the time fixed
for their payment, of taxes imposed under authority of this act
and for the violations of the provisions of ordinances or
resolutions passed under authority of this act.~~

~~If for any reason any tax levied and assessed upon earned
income by any such political subdivision is not paid when due,
interest at the rate of six percent per annum on the amount of
said tax, and an additional penalty of one half of one percent
of the amount of the unpaid tax or, if more than 25% of the~~

~~amount reported is underreported, an additional penalty of 25% of the amount of the unreported tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. When suit is brought for the recovery of any such tax, the person liable therefor shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.~~

~~Section 6. Section 22.1 of the act, added November 30, 2004 (P.L.1520, NO.192), is amended to read:~~

~~Section 22.1. Costs of Collection of Delinquent Per Capita, Occupation, Occupational Privilege and Earned Income Taxes. (a) A person, public employe or private agency designated by [a governing body of] a political subdivision to collect and administer a [per capita, occupation, occupational privilege or earned income] tax under this act may impose and collect the reasonable costs incurred to provide notices of delinquency or to implement [similar] other procedures utilized to collect delinquent taxes from a taxpayer, as approved by [the governing body of] the political subdivision. Reasonable costs collected may be retained by the officer, person, public employe or private agency designated to collect the tax, as agreed to by [the governing body of] the political subdivision. An itemized accounting of all costs collected shall be remitted to the political subdivision on an annual basis.~~

~~(b) Costs related to the collection of unpaid per capita, occupation or occupational privilege taxes may only be assessed, levied and collected for five years from the last day of the calendar year in which the tax was due.~~

~~(c) A delinquent taxpayer may not bring an action for reimbursement, refund or elimination of reasonable costs of~~

~~collection assessed or imposed prior to the effective date of
this section. Additional costs may not be assessed on delinquent
taxes collected prior to the effective date of this section.~~

~~Section 7. This act shall take effect in 60 days.~~

SECTION 1. THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), <—
KNOWN AS THE LOCAL TAX ENABLING ACT, IS AMENDED BY ADDING A
CHAPTER HEADING TO READ:

CHAPTER 1

PRELIMINARY PROVISIONS

SECTION 2. SECTION 1 OF THE ACT IS AMENDED TO READ:

SECTION [1] 101. SHORT TITLE.--THIS ACT SHALL BE KNOWN AND
MAY BE CITED AS "THE LOCAL TAX ENABLING ACT."

SECTION 3. THE ACT IS AMENDED BY ADDING A CHAPTER HEADING TO
READ:

CHAPTER 3

LOCAL TAXES

SECTION 4. SECTION 2 OF THE ACT, AMENDED DECEMBER 1, 2004
(P.L.1729, NO.222), IS AMENDED TO READ:

SECTION [2] 301. DELEGATION OF TAXING POWERS AND
RESTRICTIONS THEREON.--THE DULY CONSTITUTED AUTHORITIES OF THE
FOLLOWING POLITICAL SUBDIVISIONS, CITIES OF THE SECOND CLASS,
CITIES OF THE SECOND CLASS A, CITIES OF THE THIRD CLASS,
BOROUGHES, TOWNS, TOWNSHIPS OF THE FIRST CLASS, TOWNSHIPS OF THE
SECOND CLASS, SCHOOL DISTRICTS OF THE SECOND CLASS, SCHOOL
DISTRICTS OF THE THIRD CLASS, AND SCHOOL DISTRICTS OF THE FOURTH
CLASS, IN ALL CASES INCLUDING INDEPENDENT SCHOOL DISTRICTS, MAY,
IN THEIR DISCRETION, BY ORDINANCE OR RESOLUTION, FOR GENERAL
REVENUE PURPOSES, LEVY, ASSESS AND COLLECT OR PROVIDE FOR THE
LEVYING, ASSESSMENT AND COLLECTION OF SUCH TAXES AS THEY SHALL
DETERMINE ON PERSONS, TRANSACTIONS, OCCUPATIONS, PRIVILEGES,

1 SUBJECTS AND PERSONAL PROPERTY WITHIN THE LIMITS OF SUCH
2 POLITICAL SUBDIVISIONS, AND UPON THE TRANSFER OF REAL PROPERTY,
3 OR OF ANY INTEREST IN REAL PROPERTY, SITUATE WITHIN THE
4 POLITICAL SUBDIVISION LEVYING AND ASSESSING THE TAX, REGARDLESS
5 OF WHERE THE INSTRUMENTS MAKING THE TRANSFERS ARE MADE, EXECUTED
6 OR DELIVERED OR WHERE THE ACTUAL SETTLEMENTS ON SUCH TRANSFER
7 TAKE PLACE. THE TAXING AUTHORITY MAY PROVIDE THAT THE TRANSFEREE
8 SHALL REMAIN LIABLE FOR ANY UNPAID REALTY TRANSFER TAXES IMPOSED
9 BY VIRTUE OF THIS [ACT] CHAPTER. EACH LOCAL TAXING AUTHORITY
10 MAY, BY ORDINANCE OR RESOLUTION, EXEMPT ANY PERSON WHOSE TOTAL
11 INCOME FROM ALL SOURCES IS LESS THAN TWELVE THOUSAND DOLLARS
12 (\$12,000) PER ANNUM FROM THE PER CAPITA OR SIMILAR HEAD TAX,
13 OCCUPATION TAX AND EMERGENCY AND MUNICIPAL SERVICES TAX, OR
14 EARNED INCOME TAX, OR ANY PORTION THEREOF, AND MAY ADOPT
15 REGULATIONS FOR THE PROCESSING OF CLAIMS FOR EXEMPTIONS. SUCH
16 LOCAL AUTHORITIES SHALL NOT HAVE AUTHORITY BY VIRTUE OF THIS
17 [ACT] CHAPTER:

18 (1) TO LEVY, ASSESS AND COLLECT OR PROVIDE FOR THE LEVYING,
19 ASSESSMENT AND COLLECTION OF ANY TAX ON THE TRANSFER OF REAL
20 PROPERTY WHEN THE TRANSFER IS BY WILL OR MORTGAGE OR THE
21 INTESTATE LAWS OF THIS COMMONWEALTH OR ON A TRANSFER BY THE
22 OWNER OF PREVIOUSLY OCCUPIED RESIDENTIAL PREMISES TO A BUILDER
23 OF NEW RESIDENTIAL PREMISES WHEN SUCH PREVIOUSLY OCCUPIED
24 RESIDENTIAL PREMISES IS TAKEN IN TRADE BY SUCH BUILDER AS PART
25 OF THE CONSIDERATION FROM THE PURCHASER OF A NEW PREVIOUSLY
26 UNOCCUPIED SINGLE FAMILY RESIDENTIAL PREMISES OR ON A TRANSFER
27 BETWEEN CORPORATIONS OPERATING HOUSING PROJECTS PURSUANT TO THE
28 HOUSING AND REDEVELOPMENT ASSISTANCE LAW AND THE SHAREHOLDERS
29 THEREOF, OR ON A TRANSFER BETWEEN NONPROFIT INDUSTRIAL
30 DEVELOPMENT AGENCIES AND INDUSTRIAL CORPORATIONS PURCHASING FROM

1 THEM, OR ON TRANSFER TO OR FROM NONPROFIT INDUSTRIAL DEVELOPMENT
2 AGENCIES, OR ON A TRANSFER BETWEEN HUSBAND AND WIFE, OR ON A
3 TRANSFER BETWEEN PERSONS WHO WERE PREVIOUSLY HUSBAND AND WIFE
4 BUT WHO HAVE SINCE BEEN DIVORCED; PROVIDED SUCH TRANSFER IS MADE
5 WITHIN THREE MONTHS OF THE DATE OF THE GRANTING OF THE FINAL
6 DECREE IN DIVORCE, OR THE DECREE OF EQUITABLE DISTRIBUTION OF
7 MARITAL PROPERTY, WHICHEVER IS LATER, AND THE PROPERTY OR
8 INTEREST THEREIN, SUBJECT TO SUCH TRANSFER, WAS ACQUIRED BY THE
9 HUSBAND AND WIFE, OR HUSBAND OR WIFE, PRIOR TO THE GRANTING OF
10 THE FINAL DECREE IN DIVORCE, OR ON A TRANSFER BETWEEN PARENT AND
11 CHILD OR THE SPOUSE OF SUCH A CHILD, OR BETWEEN PARENT AND
12 TRUSTEE FOR THE BENEFIT OF A CHILD OR THE SPOUSE OF SUCH CHILD,
13 OR ON A TRANSFER BETWEEN A GRANDPARENT AND GRANDCHILD OR THE
14 SPOUSE OF SUCH GRANDCHILD, OR ON A TRANSFER BETWEEN BROTHER AND
15 SISTER OR BROTHER AND BROTHER OR SISTER AND SISTER OR THE SPOUSE
16 OF SUCH BROTHER OR SISTER, OR ON A TRANSFER TO A CONSERVANCY
17 WHICH POSSESSES A TAX-EXEMPT STATUS PURSUANT TO SECTION
18 501(C)(3) OF THE INTERNAL REVENUE CODE, AND WHICH HAS AS ITS
19 PRIMARY PURPOSE THE PRESERVATION OF LAND FOR HISTORIC,
20 RECREATIONAL, SCENIC, AGRICULTURAL OR OPEN SPACE OPPORTUNITIES,
21 BY AND BETWEEN A PRINCIPAL AND STRAW PARTY FOR THE PURPOSE OF
22 PLACING A MORTGAGE OR GROUND RENT UPON THE PREMISES, OR ON A
23 CORRECTIONAL DEED WITHOUT CONSIDERATION, OR ON A TRANSFER TO THE
24 UNITED STATES, THE COMMONWEALTH OF PENNSYLVANIA, OR TO ANY OF
25 THEIR INSTRUMENTALITIES, AGENCIES OR POLITICAL SUBDIVISIONS, BY
26 GIFT, DEDICATION OR DEED IN LIEU OF CONDEMNATION, OR DEED OF
27 CONFIRMATION IN CONNECTION WITH CONDEMNATION PROCEEDINGS, OR
28 RECONVEYANCE BY THE CONDEMNING BODY OF THE PROPERTY CONDEMNED TO
29 THE OWNER OF RECORD AT THE TIME OF CONDEMNATION WHICH
30 RECONVEYANCE MAY INCLUDE PROPERTY LINE ADJUSTMENTS PROVIDED SAID

1 RECONVEYANCE IS MADE WITHIN ONE YEAR FROM THE DATE OF
2 CONDEMNATION, LEASES, OR ON A CONVEYANCE TO A TRUSTEE UNDER A
3 RECORDED TRUST AGREEMENT FOR THE EXPRESS PURPOSE OF HOLDING
4 TITLE IN TRUST AS SECURITY FOR A DEBT CONTRACTED AT THE TIME OF
5 THE CONVEYANCE UNDER WHICH THE TRUSTEE IS NOT THE LENDER AND
6 REQUIRING THE TRUSTEE TO MAKE RECONVEYANCE TO THE GRANTOR-
7 BORROWER UPON THE REPAYMENT OF THE DEBT, OR A TRANSFER WITHIN A
8 FAMILY FROM A SOLE PROPRIETOR FAMILY MEMBER TO A FAMILY FARM
9 CORPORATION, OR IN ANY SHERIFF SALE INSTITUTED BY A MORTGAGEE IN
10 WHICH THE PURCHASER OF SAID SHERIFF SALE IS THE MORTGAGEE WHO
11 INSTITUTED SAID SALE, OR ON A PRIVILEGE, TRANSACTION, SUBJECT,
12 OCCUPATION OR PERSONAL PROPERTY WHICH IS NOW OR DOES HEREAFTER
13 BECOME SUBJECT TO A STATE TAX OR LICENSE FEE;

14 (2) TO LEVY, ASSESS OR COLLECT A TAX ON THE GROSS RECEIPTS
15 FROM UTILITY SERVICE OF ANY PERSON OR COMPANY WHOSE RATES AND
16 SERVICES ARE FIXED AND REGULATED BY THE PENNSYLVANIA PUBLIC
17 UTILITY COMMISSION OR ON ANY PUBLIC UTILITY SERVICES RENDERED BY
18 ANY SUCH PERSON OR COMPANY OR ON ANY PRIVILEGE OR TRANSACTION
19 INVOLVING THE RENDERING OF ANY SUCH PUBLIC UTILITY SERVICE;

20 (3) EXCEPT ON SALES OF ADMISSION TO PLACES OF AMUSEMENT OR
21 ON SALES OR OTHER TRANSFERS OF TITLE OR POSSESSION OF PROPERTY,
22 TO LEVY, ASSESS OR COLLECT A TAX ON THE PRIVILEGE OF EMPLOYING
23 SUCH TANGIBLE PROPERTY AS IS NOW OR DOES HEREAFTER BECOME
24 SUBJECT TO A STATE TAX; AND FOR THE PURPOSES OF THIS CLAUSE,
25 REAL PROPERTY RENTED FOR CAMPING PURPOSES SHALL NOT BE
26 CONSIDERED A PLACE OF AMUSEMENT.

27 (4) TO LEVY, ASSESS AND COLLECT A TAX ON GOODS AND ARTICLES
28 MANUFACTURED IN SUCH POLITICAL SUBDIVISION OR ON THE BY-PRODUCTS
29 OF MANUFACTURE, OR ON MINERALS, TIMBER, NATURAL RESOURCES AND
30 FARM PRODUCTS PRODUCED IN SUCH POLITICAL SUBDIVISION OR ON THE

1 PREPARATION OR PROCESSING THEREOF FOR USE OR MARKET, OR ON ANY
2 PRIVILEGE, ACT OR TRANSACTION RELATED TO THE BUSINESS OF
3 MANUFACTURING, THE PRODUCTION, PREPARATION OR PROCESSING OF
4 MINERALS, TIMBER AND NATURAL RESOURCES, OR FARM PRODUCTS, BY
5 MANUFACTURERS, BY PRODUCERS AND BY FARMERS WITH RESPECT TO THE
6 GOODS, ARTICLES AND PRODUCTS OF THEIR OWN MANUFACTURE,
7 PRODUCTION OR GROWTH, OR ON ANY PRIVILEGE, ACT OR TRANSACTION
8 RELATING TO THE BUSINESS OF PROCESSING BY-PRODUCTS OF
9 MANUFACTURE, OR ON THE TRANSPORTATION, LOADING, UNLOADING OR
10 DUMPING OR STORAGE OF SUCH GOODS, ARTICLES, PRODUCTS OR BY-
11 PRODUCTS; EXCEPT THAT LOCAL AUTHORITIES MAY LEVY, ASSESS AND
12 COLLECT AN EMERGENCY AND MUNICIPAL SERVICES TAX AND TAXES ON THE
13 OCCUPATION, PER CAPITA AND EARNED INCOME OR NET PROFITS OF
14 NATURAL PERSONS ENGAGED IN THE ABOVE ACTIVITIES WHETHER DOING
15 BUSINESS AS INDIVIDUAL PROPRIETORSHIP OR AS MEMBERS OF
16 PARTNERSHIPS OR OTHER ASSOCIATIONS;

17 (5) TO LEVY, ASSESS OR COLLECT A TAX ON SALARIES, WAGES,
18 COMMISSIONS, COMPENSATION AND EARNED INCOME OF NONRESIDENTS OF
19 THE POLITICAL SUBDIVISIONS: PROVIDED, THAT THIS LIMITATION (5)
20 SHALL APPLY ONLY TO SCHOOL DISTRICTS OF THE SECOND, THIRD AND
21 FOURTH CLASSES;

22 (6) TO LEVY, ASSESS OR COLLECT A TAX ON PERSONAL PROPERTY
23 SUBJECT TO TAXATION BY COUNTIES OR ON PERSONAL PROPERTY OWNED BY
24 PERSONS, ASSOCIATIONS AND CORPORATIONS SPECIFICALLY EXEMPTED BY
25 LAW FROM TAXATION UNDER THE COUNTY PERSONAL PROPERTY TAX LAW:
26 PROVIDED, THAT THIS LIMITATION (6) SHALL NOT APPLY TO CITIES OF
27 THE SECOND CLASS;

28 (7) TO LEVY, ASSESS OR COLLECT A TAX ON MEMBERSHIP IN OR
29 MEMBERSHIP DUES, FEES OR ASSESSMENT OF CHARITABLE, RELIGIOUS,
30 BENEFICIAL OR NONPROFIT ORGANIZATIONS INCLUDING BUT NOT LIMITED

1 TO SPORTSMENS, RECREATIONAL, GOLF AND TENNIS CLUBS, GIRL AND BOY
2 SCOUT TROOPS AND COUNCILS;

3 (8) TO LEVY, ASSESS OR COLLECT ANY TAX ON A MOBILEHOME OR
4 HOUSE TRAILER SUBJECT TO A REAL PROPERTY TAX UNLESS THE SAME TAX
5 IS LEVIED, ASSESSED AND COLLECTED ON OTHER REAL PROPERTY IN THE
6 POLITICAL SUBDIVISION.

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 CHAPTER SHALL BE NO LESS THAN TEN DOLLARS (\$10) NOR MORE THAN
16 FIFTY-TWO DOLLARS (\$52) ON EACH PERSON FOR EACH CALENDAR YEAR.

17 THE SITUS OF SUCH TAX SHALL BE THE PLACE OF EMPLOYMENT, BUT,
18 IN THE EVENT A PERSON IS ENGAGED IN MORE THAN ONE OCCUPATION, OR
19 AN OCCUPATION WHICH REQUIRES HIS WORKING IN MORE THAN ONE
20 POLITICAL SUBDIVISION DURING THE CALENDAR YEAR, THE PRIORITY OF
21 CLAIM TO COLLECT SUCH EMERGENCY AND MUNICIPAL SERVICES TAX SHALL
22 BE IN THE FOLLOWING ORDER: FIRST, THE POLITICAL SUBDIVISION IN
23 WHICH A PERSON MAINTAINS HIS PRINCIPAL OFFICE OR IS PRINCIPALLY
24 EMPLOYED; SECOND, THE POLITICAL SUBDIVISION IN WHICH THE PERSON
25 RESIDES AND WORKS, IF SUCH A TAX IS LEVIED BY THAT POLITICAL
26 SUBDIVISION; THIRD, THE POLITICAL SUBDIVISION IN WHICH A PERSON
27 IS EMPLOYED AND WHICH IMPOSES THE TAX NEAREST IN MILES TO THE
28 PERSON'S HOME. THE PLACE OF EMPLOYMENT SHALL BE DETERMINED AS OF
29 THE DAY THE TAXPAYER FIRST BECOMES SUBJECT TO THE TAX DURING THE
30 CALENDAR YEAR.

1 IT IS THE INTENT OF THIS PROVISION THAT NO PERSON SHALL PAY
2 MORE THAN FIFTY-TWO DOLLARS (\$52) IN ANY CALENDAR YEAR AS AN
3 EMERGENCY AND MUNICIPAL SERVICES TAX IRRESPECTIVE OF THE NUMBER
4 OF POLITICAL SUBDIVISIONS WITHIN WHICH SUCH PERSON MAY BE
5 EMPLOYED WITHIN ANY GIVEN CALENDAR YEAR.

6 IN CASE OF DISPUTE, A TAX RECEIPT OF THE TAXING AUTHORITY FOR
7 THAT CALENDAR YEAR DECLARING THAT THE TAXPAYER HAS MADE PRIOR
8 PAYMENT WHICH CONSTITUTES PRIMA FACIE CERTIFICATION OF PAYMENT
9 TO ALL OTHER POLITICAL SUBDIVISIONS.

10 (10) TO LEVY, ASSESS OR COLLECT A TAX ON ADMISSIONS TO
11 MOTION PICTURE THEATRES: PROVIDED, THAT THIS LIMITATION (10)
12 SHALL NOT APPLY TO CITIES OF THE SECOND CLASS.

13 (11) TO LEVY, ASSESS OR COLLECT A TAX ON THE CONSTRUCTION OF
14 OR IMPROVEMENT TO RESIDENTIAL DWELLINGS OR UPON THE APPLICATION
15 FOR OR ISSUANCE OF PERMITS FOR THE CONSTRUCTION OF OR
16 IMPROVEMENTS TO RESIDENTIAL DWELLINGS.

17 (12) TO LEVY, ASSESS AND COLLECT A MERCANTILE OR BUSINESS
18 PRIVILEGE TAX ON GROSS RECEIPTS OR PART THEREOF WHICH ARE: (I)
19 DISCOUNTS ALLOWED TO PURCHASERS AS CASH DISCOUNTS FOR PROMPT
20 PAYMENT OF THEIR BILLS; (II) CHARGES ADVANCED BY A SELLER FOR
21 FREIGHT, DELIVERY OR OTHER TRANSPORTATION FOR THE PURCHASER IN
22 ACCORDANCE WITH THE TERMS OF A CONTRACT OF SALE; (III) RECEIVED
23 UPON THE SALE OF AN ARTICLE OF PERSONAL PROPERTY WHICH WAS
24 ACQUIRED BY THE SELLER AS A TRADE-IN TO THE EXTENT THAT THE
25 GROSS RECEIPTS IN THE SALE OF THE ARTICLE TAKEN IN TRADE DOES
26 NOT EXCEED THE AMOUNT OF TRADE-IN ALLOWANCE MADE IN ACQUIRING
27 SUCH ARTICLE; (IV) REFUNDS, CREDITS OR ALLOWANCES GIVEN TO A
28 PURCHASER ON ACCOUNT OF DEFECTS IN GOODS SOLD OR MERCHANDISE
29 RETURNED; (V) PENNSYLVANIA SALES TAX; (VI) BASED ON THE VALUE OF
30 EXCHANGES OR TRANSFERS BETWEEN ONE SELLER AND ANOTHER SELLER WHO

1 TRANSFERS PROPERTY WITH THE UNDERSTANDING THAT PROPERTY OF AN
2 IDENTICAL DESCRIPTION WILL BE RETURNED AT A SUBSEQUENT DATE;
3 HOWEVER, WHEN SELLERS ENGAGED IN SIMILAR LINES OF BUSINESS
4 EXCHANGE PROPERTY AND ONE OF THEM MAKES PAYMENT TO THE OTHER IN
5 ADDITION TO THE PROPERTY EXCHANGED, THE ADDITIONAL PAYMENT
6 RECEIVED MAY BE INCLUDED IN THE GROSS RECEIPTS OF THE SELLER
7 RECEIVING SUCH ADDITIONAL CASH PAYMENTS; (VII) OF SELLERS FROM
8 SALES TO OTHER SELLERS IN THE SAME LINE WHERE THE SELLER
9 TRANSFERS THE TITLE OR POSSESSION AT THE SAME PRICE FOR WHICH
10 THE SELLER ACQUIRED THE MERCHANDISE; OR (VIII) TRANSFERS BETWEEN
11 ONE DEPARTMENT, BRANCH OR DIVISION OF A CORPORATION OR OTHER
12 BUSINESS ENTITY OF GOODS, WARES AND MERCHANDISE TO ANOTHER
13 DEPARTMENT, BRANCH OR DIVISION OF THE SAME CORPORATION OR
14 BUSINESS ENTITY AND WHICH ARE RECORDED ON THE BOOKS TO REFLECT
15 SUCH INTERDEPARTMENTAL TRANSACTIONS.

16 (13) TO LEVY, ASSESS OR COLLECT AN AMUSEMENT OR ADMISSIONS
17 TAX ON MEMBERSHIP, MEMBERSHIP DUES, FEES OR ASSESSMENTS,
18 DONATIONS, CONTRIBUTIONS OR MONETARY CHARGES OF ANY CHARACTER
19 WHATSOEVER PAID BY THE GENERAL PUBLIC, OR A LIMITED OR SELECTED
20 NUMBER THEREOF, FOR SUCH PERSONS TO ENTER INTO ANY PLACE,
21 INDOORS OR OUTDOORS, TO ENGAGE IN ANY ACTIVITIES, THE
22 PREDOMINANT PURPOSE OR NATURE OF WHICH IS EXERCISE, FITNESS,
23 HEALTH MAINTENANCE, IMPROVEMENT OR REHABILITATION, HEALTH OR
24 NUTRITION EDUCATION, OR WEIGHT CONTROL.

25 (14) EXCEPT BY CITIES OF THE SECOND CLASS, TO LEVY, ASSESS
26 OR COLLECT A TAX ON PAYROLL AMOUNTS GENERATED AS A RESULT OF
27 BUSINESS ACTIVITY.

28 (15) EXCEPT BY CITIES OF THE SECOND CLASS IN WHICH A SPORTS
29 STADIUM OR ARENA THAT HAS RECEIVED PUBLIC FUNDS IN CONNECTION
30 WITH ITS CONSTRUCTION OR MAINTENANCE IS LOCATED, TO LEVY, ASSESS

1 AND COLLECT A PUBLICLY FUNDED FACILITY USAGE FEE UPON THOSE
2 NONRESIDENT INDIVIDUALS WHO USE SUCH FACILITY TO ENGAGE IN AN
3 ATHLETIC EVENT OR OTHERWISE RENDER A PERFORMANCE FOR WHICH THEY
4 RECEIVE REMUNERATION.

5 (16) TO LEVY, ASSESS OR COLLECT AN AMUSEMENT OR ADMISSIONS
6 TAX ON THE CHARGE IMPOSED UPON A PATRON FOR THE SALE OF
7 ADMISSION TO OR FOR THE PRIVILEGE OF ADMISSION TO A BOWLING
8 ALLEY OR BOWLING LANE TO ENGAGE IN ONE OR MORE GAMES OF BOWLING.

9 SECTION 5. SECTION 2.1 OF THE ACT, ADDED OCTOBER 11, 1984
10 (P.L.885, NO.172), IS AMENDED TO READ:

11 SECTION [2.1] 302. RECAPTURE OF TAX.--(A) NOTWITHSTANDING
12 THE PROVISIONS OF SECTION [2(1) OF THIS ACT] 301(1), IF ANY
13 STOCK OF A FAMILY FARM CORPORATION IS TRANSFERRED TO A PERSON
14 WHO IS NOT A FAMILY MEMBER WITHIN TEN YEARS FROM THE DATE OF THE
15 CONVEYANCE FROM A SOLE PROPRIETOR FAMILY MEMBER TO A FAMILY FARM
16 CORPORATION, THE TAX IMPOSED BY THIS ARTICLE SHALL BECOME
17 IMMEDIATELY DUE AND PAYABLE.

18 (B) AS USED IN THIS [ACT] CHAPTER:

19 "BUSINESS ENTITY" MEANS A SOLE PROPRIETORSHIP, CORPORATION,
20 JOINT-STOCK ASSOCIATION OR COMPANY, PARTNERSHIP, LIMITED
21 PARTNERSHIP, LIMITED LIABILITY COMPANY, ASSOCIATION, BUSINESS
22 TRUST, SYNDICATE OR OTHER COMMERCIAL OR PROFESSIONAL ACTIVITY
23 ORGANIZED UNDER THE LAWS OF THIS COMMONWEALTH OR ANY OTHER
24 JURISDICTION.

25 "EMPLOYER" MEANS A PERSON, BUSINESS ENTITY OR OTHER ENTITY,
26 INCLUDING THE COMMONWEALTH, ITS POLITICAL SUBDIVISIONS AND
27 INSTRUMENTALITIES AND PUBLIC AUTHORITIES, EMPLOYING ONE OR MORE
28 PERSONS FOR A SALARY, WAGE, COMMISSION OR OTHER COMPENSATION.

29 "FAMILY FARM CORPORATION" MEANS A PENNSYLVANIA CORPORATION AT
30 LEAST SEVENTY-FIVE PERCENT OF THE ASSETS OF WHICH ARE DEVOTED TO

1 THE BUSINESS OF AGRICULTURE, WHICH BUSINESS, FOR THE PURPOSES OF
2 THIS DEFINITION, SHALL NOT BE DEEMED TO INCLUDE (I) RECREATIONAL
3 ACTIVITIES SUCH AS, BUT NOT LIMITED TO, HUNTING, FISHING,
4 CAMPING, SKIING, SHOW COMPETITION OR RACING; (II) THE RAISING,
5 BREEDING OR TRAINING OF GAME ANIMALS OR GAME BIRDS, FISH, CATS,
6 DOGS OR PETS OR ANIMALS INTENDED FOR USE IN SPORTING OR
7 RECREATIONAL ACTIVITIES; (III) FUR FARMING; (IV) STOCKYARD AND
8 SLAUGHTERHOUSE OPERATIONS; OR (V) MANUFACTURING OR PROCESSING
9 OPERATIONS OF ANY KIND: PROVIDED, HOWEVER, THAT AT LEAST
10 SEVENTY-FIVE PERCENT OF ALL OF THE STOCK OF THE CORPORATION MUST
11 BE OWNED BY MEMBERS OF THE SAME FAMILY.

12 "MEMBERS OF THE SAME FAMILY" MEANS AN INDIVIDUAL, SUCH
13 INDIVIDUAL'S BROTHERS AND SISTERS, THE BROTHERS AND SISTERS OF
14 SUCH INDIVIDUAL'S PARENTS AND GRANDPARENTS, THE ANCESTORS AND
15 LINEAL DESCENDENTS OF ANY OF THE FOREGOING AND A SPOUSE OF ANY
16 OF THE FOREGOING. INDIVIDUALS RELATED BY THE HALF BLOOD OR BY
17 LEGAL ADOPTION SHALL BE TREATED AS IF THEY WERE RELATED BY THE
18 WHOLE BLOOD.

19 "PRIVATE AGENCY" MEANS A PERSON OR BUSINESS ENTITY APPOINTED
20 AS A TAX COLLECTOR BY A POLITICAL SUBDIVISION.

21 SECTION 6. SECTIONS 2.2 AND 2.3 OF THE ACT, ADDED DECEMBER
22 1, 2004 (P.L.1729, NO.222), ARE AMENDED TO READ:

23 SECTION [2.2] 303. PAYROLL TAX.--(A) A CITY OF THE SECOND
24 CLASS MAY LEVY, ASSESS OR COLLECT A TAX THAT DOES NOT EXCEED
25 FIFTY-FIVE HUNDREDTHS PERCENT ON PAYROLL AMOUNTS GENERATED AS A
26 RESULT OF AN EMPLOYER CONDUCTING BUSINESS ACTIVITY WITHIN A CITY
27 OF THE SECOND CLASS. FOR PURPOSES OF A PAYROLL TAX LEVIED,
28 ASSESSED OR COLLECTED BY A CITY OF THE SECOND CLASS, THE
29 BUSINESS ACTIVITY SHALL BE DIRECTLY ATTRIBUTABLE TO ACTIVITY
30 WITHIN A CITY OF THE SECOND CLASS. FOR PURPOSES OF COMPUTATION

1 OF THE PAYROLL TAX IMPOSED PURSUANT TO THIS SECTION, THE PAYROLL
2 AMOUNT ATTRIBUTABLE TO THE CITY SHALL BE DETERMINED BY APPLYING
3 AN APPORTIONMENT FACTOR TO TOTAL PAYROLL EXPENSE BASED ON THAT
4 PORTION OF PAYROLL EXPENSE WHICH THE TOTAL NUMBER OF DAYS AN
5 EMPLOYE, PARTNER, MEMBER, SHAREHOLDER OR OTHER INDIVIDUAL WORKS
6 WITHIN THE CITY BEARS TO THE TOTAL NUMBER OF DAYS SUCH EMPLOYE
7 OR PERSON WORKS WITHIN AND OUTSIDE OF THE CITY.

8 (A.1) A CHARITABLE ORGANIZATION THAT QUALIFIES FOR TAX
9 EXEMPTION PURSUANT TO THE ACT OF NOVEMBER 26, 1997 (P.L.508,
10 NO.55), KNOWN AS THE "INSTITUTIONS OF PURELY PUBLIC CHARITY
11 ACT," SHALL CALCULATE THE TAX THAT WOULD OTHERWISE BE
12 ATTRIBUTABLE TO THE CITY, BUT SHALL ONLY PAY THE TAX ON THAT
13 PORTION OF ITS PAYROLL EXPENSE ATTRIBUTABLE TO BUSINESS ACTIVITY
14 FOR WHICH A TAX MAY BE IMPOSED PURSUANT TO SECTION 511 OF THE
15 INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW [95-223] 99-514, 26
16 U.S.C. § 1 ET SEQ.). IF THE CHARITY HAS PURCHASED OR IS
17 OPERATING BRANCHES, AFFILIATES, SUBSIDIARIES OR OTHER BUSINESS
18 ENTITIES THAT DO NOT INDEPENDENTLY MEET THE STANDARDS OF THE
19 "INSTITUTIONS OF PURELY PUBLIC CHARITY ACT," THE TAX SHALL BE
20 PAID ON THE PAYROLL ATTRIBUTABLE TO SUCH FOR-PROFIT BRANCHES,
21 AFFILIATES OR SUBSIDIARIES, WHETHER OR NOT THE EMPLOYEES ARE
22 LEASED OR PLACED UNDER THE AUSPICES OF THE CHARITY'S UMBRELLA OR
23 PARENT ORGANIZATION. NOTHING IN THIS SUBSECTION SHALL RESTRICT
24 THE ABILITY OF A CHARITABLE ORGANIZATION TO CONTRACT WITH THE
25 CITY TO PROVIDE SERVICES TO THE CITY IN LIEU OF SOME OR ALL
26 TAXES DUE UNDER THIS SECTION.

27 (B) FOR PURPOSES OF THE PAYROLL TAX ASSESSED PURSUANT TO
28 THIS SECTION, AN EMPLOYER IS CONDUCTING BUSINESS WITHIN A CITY
29 OF THE SECOND CLASS IF THE EMPLOYER ENGAGES, HIRES, EMPLOYS OR
30 CONTRACTS WITH ONE OR MORE INDIVIDUALS AS EMPLOYEES AND, IN

1 ADDITION, THE EMPLOYER DOES AT LEAST ONE OF THE FOLLOWING:

2 (1) MAINTAINS A FIXED PLACE OF BUSINESS WITHIN THE CITY;

3 (2) OWNS OR LEASES REAL PROPERTY WITHIN THE CITY FOR
4 PURPOSES OF SUCH BUSINESS;

5 (3) MAINTAINS A STOCK OF TANGIBLE PERSONAL PROPERTY IN THE
6 CITY FOR SALE IN THE ORDINARY COURSE OF SUCH BUSINESS;

7 (4) CONDUCTS CONTINUOUS SOLICITATION WITHIN THE CITY RELATED
8 TO SUCH BUSINESS; OR

9 (5) UTILIZES THE STREETS OF THE CITY IN CONNECTION WITH THE
10 OPERATION OF SUCH BUSINESS OTHER THAN TRANSPORTATION THROUGH THE
11 CITY.

12 (C) ALL EMPLOYERS IN A CITY OF THE SECOND CLASS SHALL FILE
13 QUARTERLY RETURNS AND MAKE QUARTERLY PAYMENTS AS PROVIDED FOR BY
14 ORDINANCE ENACTED BY A CITY OF THE SECOND CLASS. EVERY EMPLOYER
15 MAKING A RETURN SHALL CERTIFY THE CORRECTNESS THEREOF. A CITY OF
16 THE SECOND CLASS MAY AUDIT, EXAMINE OR INSPECT THE BOOKS,
17 RECORDS OR ACCOUNTS OF ALL EMPLOYERS SUBJECT TO THE TAX IMPOSED
18 PURSUANT TO THIS SECTION.

19 (D) A CITY OF THE SECOND CLASS MAY ENACT ORDINANCES AND
20 REGULATIONS NECESSARY TO IMPLEMENT THIS SECTION. THE ORDINANCE
21 LEVYING THE TAX AUTHORIZED BY THIS SECTION SHALL PERMANENTLY
22 REPLACE THE CITY'S EXISTING MERCANTILE TAX AND SHALL REDUCE THE
23 BUSINESS PRIVILEGE TAX RATE AS FOLLOWS:

24 (1) IN TAX YEARS 2005 AND 2006, THE BUSINESS PRIVILEGE TAX
25 SHALL BE TWO MILLS.

26 (2) IN TAX YEARS 2007, 2008 AND 2009, THE BUSINESS PRIVILEGE
27 TAX SHALL BE ONE MILL UNLESS THE REVENUES COLLECTED FROM THE
28 PAYROLL EXPENSE TAX EXCEED FIFTY MILLION FIVE HUNDRED THOUSAND
29 DOLLARS (\$50,500,000) IN ANY FISCAL YEAR, AT WHICH TIME THE
30 BUSINESS PRIVILEGE TAX SHALL BE REPLACED FOR THE SUBSEQUENT

1 FISCAL YEAR. AFTER THE PHASEOUT OF THE BUSINESS PRIVILEGE TAX,
2 ALL AMOUNTS OF MONEYS IN EXCESS OF FIFTY MILLION FIVE HUNDRED
3 THOUSAND DOLLARS (\$50,500,000) SHALL BE USED BY THE CITY OF THE
4 SECOND CLASS TO FURTHER ACCELERATE THE REDUCTION OF THE TAX
5 IMPOSED BY THE CITY OF THE SECOND CLASS ON PARKING AS PROVIDED
6 IN SECTION [5.1] 308.

7 (3) IN TAX YEAR 2010 AND THEREAFTER, THE BUSINESS PRIVILEGE
8 TAX MAY NOT BE IMPOSED.

9 (E) ALL TAXES, ADDITIONS AND PENALTIES COLLECTED PURSUANT TO
10 THIS SECTION SHALL BE USED BY A CITY OF THE SECOND CLASS
11 EXCLUSIVELY FOR THE GENERAL REVENUE PURPOSES OF THE CITY.

12 (F) AN EMPLOYER SHALL NOT OFFSET THE AMOUNT OF TAX PAID
13 PURSUANT TO THIS SECTION BY REDUCING COMPENSATION OR BENEFITS
14 PAID TO EMPLOYEES.

15 (G) A CITY OF THE SECOND CLASS MAY BRING SUIT FOR THE
16 RECOVERY OF TAXES DUE AND UNPAID UNDER THIS SECTION. ANY SUIT
17 BROUGHT TO RECOVER THE TAX IMPOSED BY THIS SECTION SHALL BE
18 COMMENCED WITHIN THREE YEARS AFTER SUCH TAX IS DUE OR WITHIN
19 THREE YEARS AFTER THE DECLARATION OR RETURN HAS BEEN FILED,
20 WHICHEVER IS LATER: PROVIDED, HOWEVER, THAT THIS LIMITATION
21 SHALL NOT PREVENT THE INSTITUTION OF A SUIT FOR THE COLLECTION
22 OF ANY TAX DUE OR DETERMINED TO BE DUE IN THE FOLLOWING CASES:

23 (1) WHERE NO DECLARATION OR RETURN WAS FILED BY ANY PERSON
24 ALTHOUGH A DECLARATION OR RETURN WAS REQUIRED TO BE FILED BY HIM
25 UNDER PROVISIONS OF THIS SECTION, THERE SHALL BE NO LIMITATION.

26 (2) WHERE AN EXAMINATION OF THE DECLARATION OR RETURN FILED
27 BY ANY PERSON OR OF OTHER EVIDENCE RELATING TO SUCH DECLARATION
28 OR RETURN IN THE POSSESSION OF THE CITY OF THE SECOND CLASS
29 REVEALS A FRAUDULENT EVASION OF TAXES, THERE SHALL BE NO
30 LIMITATION.

(3) IN THE CASE OF SUBSTANTIAL UNDERSTATEMENT OF TAX LIABILITY OF TWENTY-FIVE PERCENT OR MORE AND NO FRAUD, SUIT SHALL BE BEGUN WITHIN SIX YEARS.

(4) THIS SECTION SHALL NOT BE CONSTRUED TO LIMIT THE GOVERNING BODY FROM RECOVERING DELINQUENT TAXES BY ANY OTHER MEANS PROVIDED BY LAW.

(H) IF FOR ANY REASON THE PAYROLL TAX IS NOT PAID WHEN DUE, INTEREST AT THE RATE OF SIX PERCENT PER ANNUM ON THE AMOUNT OF SAID TAX AND AN ADDITIONAL PENALTY OF ONE PERCENT OF THE AMOUNT OF THE UNPAID TAX FOR EACH MONTH OR FRACTION THEREOF DURING WHICH THE TAX REMAINS UNPAID SHALL BE ADDED AND COLLECTED. WHERE SUIT IS BROUGHT FOR THE RECOVERY OF ANY SUCH TAX, THE EMPLOYER SHALL, IN ADDITION, BE LIABLE FOR THE COSTS OF COLLECTION AND THE INTEREST AND PENALTIES HEREIN IMPOSED. A CITY OF THE SECOND CLASS MAY, BY ORDINANCE OR RESOLUTION, ESTABLISH A ONE-TIME PERIOD DURING WHICH INTEREST OR INTEREST AND PENALTIES THAT WOULD OTHERWISE BE IMPOSED FOR THE NONREPORTING OR UNDERREPORTING OF PAYROLL TAX LIABILITIES OR FOR THE NONPAYMENT OF PAYROLL TAXES PREVIOUSLY IMPOSED AND DUE SHALL BE WAIVED IN TOTAL OR IN PART IF THE TAXPAYER VOLUNTARILY FILES DELINQUENT RETURNS AND PAYS THE TAXES IN FULL DURING THE PERIOD SO ESTABLISHED.

(I) IN ADDITION TO ANY OTHER ADDITIONS, PENALTIES OR ENFORCEMENT PROCEEDINGS PROVIDED FOR BY ORDINANCE OF A CITY OF THE SECOND CLASS OR A LAW OF THIS COMMONWEALTH FOR THE COLLECTION AND ENFORCEMENT OF TAXES OR THE SUBMISSION OF INFORMATION TO A GOVERNMENT ENTITY:

(1) ANY EMPLOYER WHO WILFULLY MAKES ANY FALSE OR UNTRUE STATEMENT ON THE EMPLOYER'S RETURN COMMITS A MISDEMEANOR OF THE SECOND DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO PAY A

1 FINE OF NOT MORE THAN TWO THOUSAND DOLLARS (\$2,000) OR TO
2 IMPRISONMENT FOR NOT MORE THAN TWO YEARS, OR BOTH.

3 (2) ANY EMPLOYER WHO WILFULLY FAILS OR REFUSES TO FILE A
4 RETURN REQUIRED BY THIS SECTION COMMITS A MISDEMEANOR OF THE
5 THIRD DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO PAY A
6 FINE OF NOT MORE THAN ONE THOUSAND DOLLARS (\$1,000) OR TO
7 IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BOTH.

8 (3) ANY PERSON WHO WILFULLY FAILS OR REFUSES TO APPEAR
9 BEFORE THE COLLECTOR IN PERSON WITH THE EMPLOYER'S BOOKS,
10 RECORDS OR ACCOUNTS FOR EXAMINATION WHEN REQUIRED UNDER THE
11 PROVISIONS OF THIS SECTION OR OF AN ORDINANCE TO DO SO, OR WHO
12 WILFULLY REFUSES TO PERMIT INSPECTION OF THE BOOKS, RECORDS OR
13 ACCOUNTS OF ANY EMPLOYER IN THE PERSON'S CUSTODY OR CONTROL WHEN
14 THE RIGHT TO MAKE SUCH INSPECTION BY THE COLLECTOR IS REQUESTED,
15 COMMITS A MISDEMEANOR AND SHALL, UPON CONVICTION, BE SENTENCED
16 TO PAY A FINE OF NOT MORE THAN FIVE HUNDRED DOLLARS (\$500) OR TO
17 IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BOTH.

18 (J) AS USED IN THIS SECTION:

19 "EMPLOYER" MEANS ALL PERSONS CONDUCTING BUSINESS ACTIVITY
20 WITHIN A CITY OF THE SECOND CLASS EXCEPT FOR A GOVERNMENTAL
21 ENTITY.

22 "PAYROLL AMOUNTS" MEANS ALL AMOUNTS PAID BY AN EMPLOYER AS
23 SALARIES, WAGES, COMMISSIONS, BONUSES, NET EARNINGS AND
24 INCENTIVE PAYMENTS, WHETHER BASED ON PROFITS OR OTHERWISE, FEES
25 AND SIMILAR REMUNERATION FOR SERVICES RENDERED, WHETHER DIRECTLY
26 OR THROUGH AN AGENT AND WHETHER IN CASH, IN PROPERTY OR THE
27 RIGHT TO RECEIVE PROPERTY.

28 SECTION [2.3] 304. NONRESIDENT SPORTS FACILITY USAGE FEE.--A
29 CITY OF THE SECOND CLASS IN WHICH IS LOCATED A SPORTS STADIUM OR
30 ARENA THAT HAS RECEIVED PUBLIC FUNDS IN CONNECTION WITH ITS

1 CONSTRUCTION OR MAINTENANCE MAY ENACT A PUBLICLY FUNDED FACILITY
2 USAGE FEE UPON THOSE NONRESIDENT INDIVIDUALS WHO USE SUCH
3 FACILITY TO ENGAGE IN AN ATHLETIC EVENT OR OTHERWISE RENDER A
4 PERFORMANCE FOR WHICH THEY RECEIVE REMUNERATION. THE FEE MAY BE
5 A FLAT DOLLAR AMOUNT OR A PERCENTAGE OF THE INDIVIDUAL'S INCOME
6 ATTRIBUTABLE TO SUCH INDIVIDUAL'S USAGE OF THE FACILITY. IF THE
7 FEE IS A PERCENTAGE, IT MAY NOT EXCEED THREE PERCENT OF THE
8 EARNED INCOME OF THE INDIVIDUAL ATTRIBUTABLE TO THE USAGE OF THE
9 FACILITY. IF ANY FEE IS IMPOSED, THOSE INDIVIDUALS LIABLE FOR
10 THE FEE SHALL BE EXEMPT FROM ANY EARNED INCOME TAX IMPOSED BY
11 THE CITY OF THE SECOND CLASS PURSUANT TO THIS [ACT] CHAPTER AND
12 ANY SUCH TAX IMPOSED UNDER SECTION 652.1 OF THE ACT OF MARCH 10,
13 1949 (P.L.30, NO.14), KNOWN AS THE "PUBLIC SCHOOL CODE OF 1949."
14 SHOULD A COURT OF COMPETENT JURISDICTION DETERMINE THIS
15 PROVISION TO BE INVALID FOR ANY REASON, PERSONS SUBJECT TO THE
16 PUBLICLY FUNDED FACILITY USAGE FEE SHALL NOT BE EXEMPT FROM ANY
17 PREVIOUSLY APPLICABLE EARNED INCOME TAX.

18 SECTION 7. SECTION 3 OF THE ACT IS AMENDED TO READ:

19 SECTION [3] 305. VACATION OF TAX ORDINANCES AND RESOLUTIONS
20 BY STATE TAX MEASURES.--IF, SUBSEQUENT TO THE PASSAGE OF ANY
21 ORDINANCE OR RESOLUTION UNDER THE AUTHORITY OF THIS [ACT]
22 CHAPTER, THE GENERAL ASSEMBLY SHALL IMPOSE A TAX OR LICENSE FEE
23 ON ANY PRIVILEGE, TRANSACTIONS, SUBJECT OR OCCUPATION, OR ON
24 PERSONAL PROPERTY OR ON SALES OF ADMISSION TO PLACES OF
25 AMUSEMENT OR ON SALES OR OTHER TRANSFER OF TITLE OR POSSESSION
26 OF PROPERTY TAXED BY ANY SUCH POLITICAL SUBDIVISION HEREUNDER,
27 THE ACT OF ASSEMBLY IMPOSING THE STATE TAX OR LICENSE FEE
28 THEREON SHALL AUTOMATICALLY VACATE THE ORDINANCE OR RESOLUTION
29 PASSED UNDER THE AUTHORITY OF THIS [ACT] CHAPTER AS TO ALL TAXES
30 ACCRUING SUBSEQUENT TO THE END OF THE CURRENT FISCAL YEAR OF

1 SUCH POLITICAL SUBDIVISION. IT IS THE INTENTION OF THIS SECTION
2 TO CONFER UPON SUCH POLITICAL SUBDIVISION THE POWER TO LEVY,
3 ASSESS AND COLLECT TAXES UPON ANY AND ALL SUBJECTS OF TAXATION,
4 EXCEPT AS ABOVE RESTRICTED AND LIMITED, WHICH THE COMMONWEALTH
5 HAS POWER TO TAX BUT WHICH IT DOES NOT TAX OR LICENSE, SUBJECT
6 ONLY TO THE FOREGOING PROVISION THAT ANY TAX OR LICENSE SHALL
7 AUTOMATICALLY TERMINATE AT THE END OF THE CURRENT FISCAL YEAR OF
8 THE POLITICAL SUBDIVISION.

9 SECTION 8. SECTIONS 4 AND 5 OF THE ACT, AMENDED OCTOBER 9,
10 1967 (P.L.361, NO.160), ARE AMENDED TO READ:

11 SECTION [4] 306. ADVERTISEMENT OF INTENTION TO ADOPT TAX
12 ORDINANCE OR RESOLUTION.--PRIOR TO THE PASSAGE OF ANY ORDINANCE
13 OR THE ADOPTION OF ANY RESOLUTION IMPOSING A TAX OR LICENSE FEE
14 UNDER THE AUTHORITY HEREUNDER GRANTED, SUCH POLITICAL
15 SUBDIVISION SHALL GIVE NOTICE OF THE INTENTION TO PASS SUCH
16 ORDINANCE OR ADOPT SUCH RESOLUTION. SUCH NOTICE SHALL BE GIVEN
17 IN ADDITION TO ALL OTHER NOTICES REQUIRED BY LAW TO BE GIVEN AND
18 SHALL SET FORTH THE SUBSTANTIAL NATURE OF THE TAX OR LICENSE FEE
19 TO BE IMPOSED BY THE PROPOSED ORDINANCE OR RESOLUTION, THE
20 REASON WHICH, IN THE JUDGMENT OF THE OFFICIALS OF THE
21 SUBDIVISION, NECESSITATES THE IMPOSITION OF THE TAX, AND THE
22 AMOUNT OF REVENUE ESTIMATED TO BE DERIVED FROM THE TAX.
23 PUBLICATION OF SUCH NOTICE SHALL BE MADE BY ADVERTISEMENT ONCE A
24 WEEK FOR THREE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION
25 WITHIN SUCH POLITICAL SUBDIVISION IF THERE IS SUCH NEWSPAPER
26 AND, IF THERE IS NOT, THEN SUCH PUBLICATION SHALL BE MADE IN A
27 NEWSPAPER OF GENERAL CIRCULATION WITHIN THE COUNTY IN WHICH THE
28 ADVERTISING POLITICAL SUBDIVISION IS LOCATED.

29 EVERY SUCH TAX SHALL CONTINUE IN FORCE ON A CALENDAR OR
30 FISCAL YEAR BASIS, AS THE CASE MAY BE, WITHOUT ANNUAL

1 REENACTMENT UNLESS THE RATE OF THE TAX IS SUBSEQUENTLY CHANGED.

2 SECTION [5] 307. RATE, AMOUNT, COURT APPROVAL; REVISION OF
3 BUDGET.--ANY TAX IMPOSED UNDER THIS [ACT] CHAPTER SHALL NOT BE
4 SUBJECT TO ANY LIMITATIONS UNDER EXISTING LAWS AS TO RATE OR
5 AMOUNT OR AS TO THE NECESSITY OF SECURING COURT APPROVAL OR AS
6 TO BUDGETARY REQUIREMENTS. ANY CITY, BOROUGH OR TOWNSHIP
7 IMPOSING A TAX UNDER THIS [ACT] CHAPTER MAY REVISE ITS BUDGET
8 DURING ANY FISCAL YEAR BY INCREASING OR MAKING ADDITIONAL
9 APPROPRIATIONS FROM FUNDS TO BE PROVIDED FROM SUCH TAX.

10 THE ORDINANCE OR RESOLUTION MAY BE PASSED OR ADOPTED PRIOR TO
11 THE BEGINNING OF THE FISCAL YEAR AND PRIOR TO THE PREPARATION OF
12 THE BUDGET WHEN DESIRABLE.

13 EVERY ORDINANCE OR RESOLUTION WHICH IMPOSED A TAX UNDER THE
14 AUTHORITY OF THIS [ACT] CHAPTER SHALL BE PASSED OR ADOPTED, IF
15 FOR A SCHOOL DISTRICT, DURING THE PERIOD OTHER SCHOOL TAXES ARE
16 REQUIRED BY LAW TO BE LEVIED AND ASSESSED BY SUCH DISTRICT. EACH
17 ORDINANCE AND RESOLUTION SHALL STATE THAT IT IS ENACTED UNDER
18 THE AUTHORITY OF THIS [ACT] CHAPTER, KNOWN AS "THE LOCAL TAX
19 ENABLING ACT".

20 SECTION 9. SECTION 5.1 OF THE ACT, ADDED DECEMBER 1, 2004
21 (P.L.1729, NO.222), IS AMENDED TO READ:

22 SECTION [5.1] 308. SECOND CLASS CITY PARKING TAX RATES.--THE
23 RATE OF THE TAX IMPOSED ON PARKING TRANSACTIONS SHALL NOT DIFFER
24 FROM THE RATE CONTAINED IN CITY OF PITTSBURGH ORDINANCE NUMBER
25 43-2003 AS OF JANUARY 1, 2004, EXCEPT AS FOLLOWS:

26 (1) IN TAX YEAR 2007, THE RATE OF TAX SHALL NOT EXCEED 45%.

27 (2) IN TAX YEAR 2008, THE RATE OF TAX SHALL NOT EXCEED 40%.

28 (3) IN TAX YEAR 2009, THE RATE OF TAX SHALL NOT EXCEED
29 37.5%.

30 (4) IN TAX YEAR 2010, THE RATE OF TAX SHALL NOT EXCEED 35%

1 AS EXISTED PRIOR TO THE ADOPTION OF THE ORDINANCE.

2 SECTION 10. SECTION 6 OF THE ACT, REPEALED IN PART JUNE 3,
3 1971 (P.L.118, NO.6), IS AMENDED TO READ:

4 SECTION [6] 309. APPEALS BY TAXPAYERS.--NO TAX LEVIED FOR
5 THE FIRST TIME BY ANY POLITICAL SUBDIVISION TO WHICH THIS [ACT]
6 CHAPTER APPLIES SHALL GO INTO EFFECT UNTIL THIRTY DAYS FROM THE
7 TIME OF THE ADOPTION OF THE ORDINANCE OR RESOLUTION LEVYING THE
8 TAX. WITHIN SAID THIRTY DAYS, TAXPAYERS REPRESENTING TWENTY-FIVE
9 PERCENT OR MORE OF THE TOTAL VALUATION OF REAL ESTATE IN THE
10 POLITICAL SUBDIVISION AS ASSESSED FOR TAXATION PURPOSES, OR
11 TAXPAYERS OF THE POLITICAL SUBDIVISION NOT LESS THAN TWENTY-FIVE
12 IN NUMBER AGGRIEVED BY THE ORDINANCE OR RESOLUTION SHALL HAVE
13 THE RIGHT TO APPEAL THEREFROM TO THE COURT OF QUARTER SESSIONS
14 OF THE COUNTY UPON GIVING BOND WITH SUFFICIENT SECURITY IN THE
15 AMOUNT OF FIVE HUNDRED DOLLARS (\$500), APPROVED BY THE COURT, TO
16 PROSECUTE THE APPEAL WITH EFFECT AND FOR THE PAYMENT OF COSTS.
17 THE PETITION SHALL SET FORTH THE OBJECTIONS TO THE TAX AND THE
18 FACTS IN SUPPORT OF SUCH OBJECTIONS, AND SHALL BE ACCOMPANIED BY
19 THE AFFIDAVIT OF AT LEAST FIVE OF THE PETITIONERS THAT THE
20 AVERMENTS OF THE PETITION ARE TRUE AND THE PETITION IS NOT FILED
21 FOR THE PURPOSE OF DELAY.

22 NO SUCH APPEAL SHALL ACT AS A SUPERSEDEAS UNLESS SPECIFICALLY
23 ALLOWED BY THE COURT TO WHICH THE APPEAL IS TAKEN OR A JUDGE
24 THEREOF.

25 IMMEDIATELY UPON THE FILING OF ANY SUCH PETITION, THE
26 PETITIONERS SHALL SERVE A COPY OF THE PETITION AND ANY RULE
27 GRANTED BY THE COURT UPON THE PRESIDENT, CHAIRMAN, SECRETARY OR
28 CLERK OF THE LEGISLATIVE BODY LEVYING THE TAX.

29 THE COURT SHALL FIX A DAY FOR A HEARING NOT LESS THAN FIFTEEN
30 DAYS NOR MORE THAN THIRTY DAYS AFTER THE FILING OF THE PETITION.

1 NOTICE OF THE TIME OF SUCH HEARING SHALL BE GIVEN TO ALL
2 INTERESTED PARTIES AS THE COURT SHALL DIRECT. THE COURT SHALL
3 PROMPTLY HEAR AND DISPOSE OF THE APPEAL.

4 IT SHALL BE THE DUTY OF THE COURT TO DECLARE THE ORDINANCE
5 AND THE TAX IMPOSED THEREBY TO BE VALID UNLESS IT CONCLUDES THAT
6 THE ORDINANCE IS UNLAWFUL OR FINDS THAT THE TAX IMPOSED IS
7 EXCESSIVE OR UNREASONABLE; BUT THE COURT SHALL NOT INTERFERE
8 WITH THE REASONABLE DISCRETION OF THE LEGISLATIVE BODY IN
9 SELECTING THE SUBJECTS OR FIXING THE RATES OF THE TAX. THE COURT
10 MAY DECLARE INVALID ALL OR ANY PORTION OF THE ORDINANCE OR OF
11 THE TAX IMPOSED OR MAY REDUCE THE RATES OF TAX.

12 SECTION 11. SECTION 7 OF THE ACT, AMENDED AUGUST 11, 1967
13 (P.L.228, NO.83) AND OCTOBER 9, 1967 (P.L.361, NO.160), IS
14 AMENDED TO READ:

15 SECTION [7] 310. FILING OF CERTIFIED COPIES OF ORDINANCES
16 AND RESOLUTIONS.--WHEN AN ORDINANCE OR A RESOLUTION IS FIRST
17 PASSED OR ADOPTED BY A POLITICAL SUBDIVISION IMPOSING A TAX OR
18 LICENSE FEE UNDER THE AUTHORITY OF THIS [ACT] CHAPTER, AN EXACT
19 PRINTED OR TYPEWRITTEN COPY THEREOF, CERTIFIED TO BY THE
20 SECRETARY OF THE TAXING BODY, SHALL BE FILED WITH THE DEPARTMENT
21 OF COMMUNITY AFFAIRS WITHIN FIFTEEN DAYS AFTER THE SAME BECOMES
22 EFFECTIVE.

23 ANY SECRETARY OR PERSON ACTING AS THE CLERK OR SECRETARY OF
24 THE TAXING BODY OF ANY POLITICAL SUBDIVISION DURING THE MEETING
25 AT WHICH AN ORDINANCE OR RESOLUTION IMPOSING A TAX OR LICENSE
26 FEE IS PASSED OR ADOPTED AS HEREIN PROVIDED WHO SHALL FAIL TO
27 FILE THE CERTIFIED COPY OR STATEMENT RELATIVE THERETO WITH THE
28 DEPARTMENT OF COMMUNITY AFFAIRS AS HEREIN REQUIRED, SHALL, UPON
29 SUMMARY CONVICTION THEREOF IN THE COUNTY IN WHICH THE POLITICAL
30 SUBDIVISION IS LOCATED, BE SENTENCED TO PAY A FINE OF NOT LESS

1 THAN FIVE DOLLARS (\$5) NOR MORE THAN TWENTY-FIVE DOLLARS (\$25),
2 AND THE COSTS OF PROSECUTION.

3 SECTION 12. SECTION 8 OF THE ACT, AMENDED DECEMBER 1, 2004
4 (P.L.1729, NO.222), IS AMENDED TO READ:

5 SECTION [8] 311. LIMITATIONS ON RATES OF SPECIFIC TAXES.--NO
6 TAXES LEVIED UNDER THE PROVISIONS OF THIS [ACT] CHAPTER SHALL BE
7 LEVIED BY ANY POLITICAL SUBDIVISION ON THE FOLLOWING SUBJECTS
8 EXCEEDING THE RATES SPECIFIED IN THIS SECTION:

9 (1) PER CAPITA, POLL OR OTHER SIMILAR HEAD TAXES, TEN
10 DOLLARS (\$10).

11 (2) ON EACH DOLLAR OF THE WHOLE VOLUME OF BUSINESS
12 TRANSACTED BY WHOLESALE DEALERS IN GOODS, WARES AND MERCHANDISE,
13 ONE MILL, BY RETAIL DEALERS IN GOODS, WARES AND MERCHANDISE AND
14 BY PROPRIETORS OF RESTAURANTS OR OTHER PLACES WHERE FOOD, DRINK
15 AND REFRESHMENTS ARE SERVED, ONE AND ONE-HALF MILLS; EXCEPT IN
16 CITIES OF THE SECOND CLASS, WHERE RATES SHALL NOT EXCEED ONE
17 MILL ON WHOLESALE DEALERS AND TWO MILLS ON RETAIL DEALERS AND
18 PROPRIETORS. NO SUCH TAX SHALL BE LEVIED ON THE DOLLAR VOLUME OF
19 BUSINESS TRANSACTED BY WHOLESALE AND RETAIL DEALERS DERIVED FROM
20 THE RESALE OF GOODS, WARES AND MERCHANDISE, TAKEN BY ANY DEALER
21 AS A TRADE-IN OR AS PART PAYMENT FOR OTHER GOODS, WARES AND
22 MERCHANDISE, EXCEPT TO THE EXTENT THAT THE RESALE PRICE EXCEEDS
23 THE TRADE-IN ALLOWANCE.

24 (3) ON WAGES, SALARIES, COMMISSIONS AND OTHER EARNED INCOME
25 OF INDIVIDUALS, ONE PERCENT.

26 (4) ON RETAIL SALES INVOLVING THE TRANSFER OF TITLE OR
27 POSSESSION OF TANGIBLE PERSONAL PROPERTY, TWO PERCENT.

28 (5) ON THE TRANSFER OF REAL PROPERTY, ONE PERCENT.

29 (6) ON ADMISSIONS TO PLACES OF AMUSEMENT, ATHLETIC EVENTS
30 AND THE LIKE, AND ON MOTION PICTURE THEATRES IN CITIES OF THE

1 SECOND CLASS, TEN PERCENT.

2 (7) FLAT RATE OCCUPATION TAXES NOT USING A MILLAGE OR
3 PERCENTAGE AS A BASIS, TEN DOLLARS (\$10).

4 (8) EMERGENCY AND MUNICIPAL SERVICES TAXES, FIFTY-TWO DOLLARS
5 (\$52).

6 (9) ON ADMISSIONS TO SKI FACILITIES, TEN PERCENT. THE TAX
7 BASE UPON WHICH THE TAX SHALL BE LEVIED SHALL NOT EXCEED FORTY
8 PERCENT OF THE COST OF THE LIFT TICKET. THE LIFT TICKET SHALL
9 INCLUDE ALL COSTS OF ADMISSIONS TO THE SKI FACILITY.

10 (10) ON ADMISSIONS TO GOLF COURSES, TEN PERCENT. THE TAX
11 BASE UPON WHICH THE TAX SHALL BE LEVIED SHALL NOT EXCEED FORTY
12 PERCENT OF THE GREENS FEE. THE GREENS FEE SHALL INCLUDE ALL
13 COSTS OF ADMISSIONS TO THE GOLF COURSE.

14 (12) ON PAYROLLS, FIFTY-FIVE HUNDREDTHS PERCENT.

15 EXCEPT AS OTHERWISE PROVIDED IN THIS [ACT] CHAPTER, AT ANY
16 TIME TWO POLITICAL SUBDIVISIONS SHALL IMPOSE ANY ONE OF THE
17 ABOVE TAXES ON THE SAME PERSON, SUBJECT, BUSINESS, TRANSACTION
18 OR PRIVILEGE, LOCATED WITHIN BOTH SUCH POLITICAL SUBDIVISIONS,
19 DURING THE SAME YEAR OR PART OF THE SAME YEAR, UNDER THE
20 AUTHORITY OF THIS [ACT] CHAPTER THEN THE TAX LEVIED BY A
21 POLITICAL SUBDIVISION UNDER THE AUTHORITY OF THIS [ACT] CHAPTER
22 SHALL, DURING THE TIME SUCH DUPLICATION OF THE TAX EXISTS,
23 EXCEPT AS HEREINAFTER OTHERWISE PROVIDED, BE ONE-HALF OF THE
24 RATE, AS ABOVE LIMITED, AND SUCH ONE-HALF RATE SHALL BECOME
25 EFFECTIVE BY VIRTUE OF THE REQUIREMENTS OF THIS [ACT] CHAPTER
26 FROM THE DAY SUCH DUPLICATION BECOMES EFFECTIVE WITHOUT ANY
27 ACTION ON THE PART OF THE POLITICAL SUBDIVISION IMPOSING THE TAX
28 UNDER THE AUTHORITY OF THIS [ACT] CHAPTER. WHEN ANY ONE OF THE
29 ABOVE TAXES HAS BEEN LEVIED UNDER THE PROVISIONS OF THIS [ACT]
30 CHAPTER BY ONE POLITICAL SUBDIVISION AND A SUBSEQUENT LEVY IS

1 MADE EITHER FOR THE FIRST TIME OR IS REVIVED AFTER A LAPSE OF
2 TIME BY ANOTHER POLITICAL SUBDIVISION ON THE SAME PERSON,
3 SUBJECT, BUSINESS, TRANSACTION OR PRIVILEGE AT A RATE THAT WOULD
4 MAKE THE COMBINED LEVIES EXCEED THE LIMIT ALLOWED BY THIS
5 SUBDIVISION, THE TAX OF THE SECOND POLITICAL SUBDIVISION SHALL
6 NOT BECOME EFFECTIVE UNTIL THE END OF THE FISCAL YEAR FOR WHICH
7 THE PRIOR TAX WAS LEVIED, UNLESS:

8 (1) NOTICE INDICATING ITS INTENTION TO MAKE SUCH LEVY IS
9 GIVEN TO THE FIRST TAXING BODY BY THE SECOND TAXING BODY AS
10 FOLLOWS: (I) WHEN THE NOTICE IS GIVEN TO A SCHOOL DISTRICT IT
11 SHALL BE GIVEN AT LEAST FORTY-FIVE DAYS PRIOR TO THE LAST DAY
12 FIXED BY LAW FOR THE LEVY OF ITS SCHOOL TAXES; (II) WHEN GIVEN
13 TO ANY OTHER POLITICAL SUBDIVISION IT SHALL BE PRIOR TO THE
14 FIRST DAY OF JANUARY IMMEDIATELY PRECEDING, OR IF A LAST DAY FOR
15 THE ADOPTION OF THE BUDGET IS FIXED BY LAW, AT LEAST FORTY-FIVE
16 DAYS PRIOR TO SUCH LAST DAY; OR

17 (2) UNLESS THE FIRST TAXING BODY SHALL INDICATE BY
18 APPROPRIATE RESOLUTION ITS DESIRE TO WAIVE NOTICE REQUIREMENTS
19 IN WHICH CASE THE LEVY OF THE SECOND TAXING BODY SHALL BECOME
20 EFFECTIVE ON SUCH DATE AS MAY BE AGREED UPON BY THE TWO TAXING
21 BODIES.

22 IT IS THE INTENT AND PURPOSE OF THIS PROVISION TO LIMIT RATES
23 OF TAXES REFERRED TO IN THIS SECTION SO THAT THE ENTIRE BURDEN
24 OF ONE TAX ON A PERSON, SUBJECT, BUSINESS, TRANSACTION OR
25 PRIVILEGE SHALL NOT EXCEED THE LIMITATIONS PRESCRIBED IN THIS
26 SECTION: PROVIDED, HOWEVER, THAT ANY TWO POLITICAL SUBDIVISIONS
27 WHICH IMPOSE ANY ONE OF THE ABOVE TAXES, ON THE SAME PERSON,
28 SUBJECT, BUSINESS, TRANSACTION OR PRIVILEGE DURING THE SAME YEAR
29 OR PART OF THE SAME YEAR MAY AGREE AMONG THEMSELVES THAT,
30 INSTEAD OF LIMITING THEIR RESPECTIVE RATES TO ONE-HALF OF THE

1 MAXIMUM RATE HEREIN PROVIDED, THEY WILL IMPOSE RESPECTIVELY
2 DIFFERENT RATES, THE TOTAL OF WHICH SHALL NOT EXCEED THE MAXIMUM
3 RATE AS ABOVE PERMITTED.

4 NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, ANY CITY OF
5 THE SECOND CLASS A MAY ENACT A TAX UPON WAGES, SALARIES,
6 COMMISSIONS AND OTHER EARNED INCOME OF INDIVIDUALS RESIDENT
7 THEREIN, NOT EXCEEDING ONE PERCENT, EVEN THOUGH A SCHOOL
8 DISTRICT LEVIES A SIMILAR TAX ON THE SAME PERSON PROVIDED THAT
9 THE AGGREGATE OF BOTH TAXES DOES NOT EXCEED TWO PERCENT. IN THE
10 CASE OF DUPLICATION OF EMERGENCY AND MUNICIPAL SERVICES TAXES BY
11 BOTH A SCHOOL DISTRICT, OTHER THAN A SCHOOL DISTRICT OF THE
12 FIRST CLASS A, AND ANOTHER TAXING BODY, THE SCHOOL DISTRICT'S
13 SHARE OF THE TAX SHALL NOT EXCEED THE AMOUNT OF A TAX ON THE
14 PRIVILEGE OF ENGAGING IN AN OCCUPATION COLLECTED BY THE SCHOOL
15 DISTRICT AS OF THE EFFECTIVE DATE OF THIS PARAGRAPH. IN THE CASE
16 WHERE A SCHOOL DISTRICT DID NOT LEVY A TAX ON THE PRIVILEGE OF
17 ENGAGING IN AN OCCUPATION ON THE EFFECTIVE DATE OF THIS
18 PARAGRAPH, THE SCHOOL DISTRICT MAY IMPOSE A FUTURE LEVY NOT TO
19 EXCEED FIVE DOLLARS (\$5). A SCHOOL DISTRICT OF THE FIRST CLASS A
20 SHALL NOT LEVY, ASSESS OR COLLECT AN EMERGENCY AND MUNICIPAL
21 SERVICES TAX.

22 SECTION 13. SECTION 9 OF THE ACT, AMENDED DECEMBER 12, 1968
23 (P.L.1203, NO.377), IS AMENDED TO READ:

24 [SECTION 9. REGISTER FOR EARNED INCOME AND OCCUPATIONAL
25 PRIVILEGE TAXES.--IT SHALL BE THE DUTY OF THE DEPARTMENT OF
26 COMMUNITY AFFAIRS TO HAVE AVAILABLE AN OFFICIAL CONTINUING
27 REGISTER SUPPLEMENTED ANNUALLY OF ALL EARNED INCOME AND
28 OCCUPATIONAL PRIVILEGE TAXES LEVIED UNDER AUTHORITY OF THIS ACT.
29 THE REGISTER AND ITS SUPPLEMENTS, HEREINAFTER REFERRED TO AS THE
30 REGISTER, SHALL LIST SUCH JURISDICTIONS LEVYING EARNED INCOME

1 AND/OR OCCUPATIONAL PRIVILEGE TAXES, THE RATE OF THE TAX AS
2 STATED IN THE TAX LEVYING ORDINANCE OR RESOLUTION, AND THE
3 EFFECTIVE RATE ON RESIDENT AND NONRESIDENT TAXPAYERS, IF
4 DIFFERENT FROM THE STATED RATE BECAUSE OF A COTERMINOUS LEVY,
5 THE NAME AND ADDRESS OF THE OFFICER RESPONSIBLE FOR
6 ADMINISTERING THE COLLECTION OF THE TAX AND FROM WHOM
7 INFORMATION, FORMS FOR REPORTING AND COPIES OF RULES AND
8 REGULATIONS ARE AVAILABLE. WITH EACH JURISDICTION LISTED, ALL
9 JURISDICTIONS MAKING COTERMINOUS LEVIES SHALL ALSO BE NOTED AND
10 THEIR TAX RATES SHOWN.

11 INFORMATION FOR THE REGISTER SHALL BE FURNISHED BY THE
12 SECRETARY OF EACH TAXING BODY TO THE DEPARTMENT OF COMMUNITY
13 AFFAIRS IN SUCH MANNER AND ON SUCH FORMS AS THE DEPARTMENT OF
14 COMMUNITY AFFAIRS MAY PRESCRIBE. THE INFORMATION MUST BE
15 RECEIVED BY THE DEPARTMENT OF COMMUNITY AFFAIRS BY CERTIFIED
16 MAIL NOT LATER THAN MAY 31 OF EACH YEAR TO SHOW NEW TAX
17 ENACTMENTS, REPEALS AND CHANGES. FAILURE TO COMPLY WITH THIS
18 DATE FOR FILING MAY RESULT IN THE OMISSION OF THE LEVY FROM THE
19 REGISTER FOR THAT YEAR. FAILURE OF THE DEPARTMENT OF COMMUNITY
20 AFFAIRS TO RECEIVE INFORMATION OF TAXES CONTINUED WITHOUT CHANGE
21 MAY BE CONSTRUED BY THE DEPARTMENT TO MEAN THAT THE INFORMATION
22 CONTAINED IN THE PREVIOUS REGISTER REMAINS IN FORCE.

23 THE DEPARTMENT OF COMMUNITY AFFAIRS SHALL HAVE THE REGISTER
24 WITH SUCH ANNUAL SUPPLEMENTS AS MAY BE REQUIRED BY NEW TAX
25 ENACTMENTS, REPEALS OR CHANGES AVAILABLE UPON REQUEST NOT LATER
26 THAN JULY 1 OF EACH YEAR. THE EFFECTIVE PERIOD FOR EACH REGISTER
27 SHALL BE FROM JULY 1 OF THE YEAR IN WHICH IT IS ISSUED TO JUNE
28 30 OF THE FOLLOWING YEAR.

29 EMPLOYERS SHALL NOT BE REQUIRED BY ANY LOCAL ORDINANCE TO
30 WITHHOLD FROM THE WAGES, SALARIES, COMMISSIONS OR OTHER

1 COMPENSATION OF THEIR EMPLOYEES ANY TAX IMPOSED UNDER THE
2 PROVISIONS OF THIS ACT, WHICH IS NOT LISTED IN THE REGISTER, OR
3 MAKE REPORTS OF WAGES, SALARIES, COMMISSIONS OR OTHER
4 COMPENSATION IN CONNECTION WITH TAXES NOT SO LISTED: PROVIDED,
5 THAT IF THE REGISTER IS NOT AVAILABLE BY JULY 1, THE REGISTER OF
6 THE PREVIOUS YEAR SHALL CONTINUE TEMPORARILY IN EFFECT FOR AN
7 ADDITIONAL PERIOD NOT TO EXCEED ONE YEAR. THE PROVISIONS OF THIS
8 SECTION SHALL NOT AFFECT THE LIABILITY OF ANY TAXPAYER FOR TAXES
9 LAWFULLY IMPOSED UNDER THIS ACT.]

10 SECTION 312. WITHHOLDING OF OCCUPATIONAL PRIVILEGE TAX.--
11 ORDINANCES OR RESOLUTIONS IMPOSING [EARNED INCOME OR]
12 OCCUPATIONAL PRIVILEGE TAXES UNDER AUTHORITY OF THIS ACT MAY
13 CONTAIN PROVISIONS REQUIRING EMPLOYERS DOING BUSINESS WITHIN THE
14 JURISDICTION OF THE POLITICAL SUBDIVISION IMPOSING THE TAX TO
15 WITHHOLD THE TAX FROM THE COMPENSATION OF THOSE OF THEIR
16 EMPLOYEES WHO ARE SUBJECT TO THE TAX: PROVIDED, [THAT NO EMPLOYER
17 SHALL BE HELD LIABLE FOR FAILURE TO WITHHOLD EARNED INCOME TAXES
18 OR FOR THE PAYMENT OF SUCH WITHHELD TAX MONEY TO A POLITICAL
19 SUBDIVISION OTHER THAN THE POLITICAL SUBDIVISION ENTITLED TO
20 RECEIVE SUCH MONEY IF SUCH FAILURE TO WITHHOLD OR SUCH INCORRECT
21 TRANSMITTAL OF WITHHELD TAXES ARISES FROM INCORRECT INFORMATION
22 AS TO THE EMPLOYEE'S PLACE OF RESIDENCE SUBMITTED BY THE EMPLOYEE:
23 AND PROVIDED FURTHER,] THAT EMPLOYERS SHALL NOT BE REQUIRED BY
24 ANY LOCAL ORDINANCE TO WITHHOLD FROM COMPENSATION FOR ANY ONE OF
25 THEIR EMPLOYEES FOR THE OCCUPATIONAL PRIVILEGE TAX MORE THAN ONE
26 TIME IN ANY FISCAL PERIOD: AND PROVIDED FURTHER, THAT THE
27 OCCUPATIONAL PRIVILEGE TAX SHALL BE APPLICABLE TO EMPLOYMENT IN
28 THE PERIOD BEGINNING JANUARY 1, OF THE CURRENT YEAR AND ENDING
29 DECEMBER 31 OF THE CURRENT YEAR, EXCEPT THAT TAXES IMPOSED FOR
30 THE FIRST TIME SHALL BECOME EFFECTIVE FROM THE DATE SPECIFIED IN

1 THE ORDINANCE OR RESOLUTION, AND THE TAX SHALL CONTINUE IN FORCE
2 ON A CALENDAR YEAR BASIS.

3 SECTION 14. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

4 SECTION 312.1. (RESERVED).

5 SECTION 15. SECTION 10 OF THE ACT, AMENDED DECEMBER 1, 2004
6 (P.L.1729, NO.222), IS AMENDED TO READ:

7 SECTION [10] 313. COLLECTION OF TAXES.--(A) ADMINISTRATIVE
8 PERSONNEL; JOINT AGREEMENTS.--

9 (1) EXCEPT AS PROVIDED IN [SUBSECTIONS (B) AND (C)] SECTION
10 506, ANY [SUCH] POLITICAL SUBDIVISION IS HEREBY AUTHORIZED TO
11 PROVIDE BY ORDINANCE OR RESOLUTION FOR THE CREATION OR
12 DESIGNATION OF SUCH BUREAUS OR THE APPOINTMENT AND COMPENSATION
13 OF [SUCH OFFICERS, CLERKS, COLLECTORS, PRIVATE AGENCIES OR OTHER
14 PERSON AND OTHER ASSISTANTS AND EMPLOYES, EITHER UNDER EXISTING
15 DEPARTMENTS, OR OTHERWISE AS MAY BE DEEMED NECESSARY,] A
16 POLITICAL SUBDIVISION OR PRIVATE AGENCY FOR THE ASSESSMENT AND
17 COLLECTION OF TAXES IMPOSED UNDER AUTHORITY OF THIS [ACT]
18 CHAPTER. EACH ORDINANCE OR RESOLUTION UNDER THIS SECTION
19 AUTHORIZING A PERSON, PUBLIC EMPLOYEE OR PRIVATE AGENCY TO ACT IN
20 THE CAPACITY AND WITH THE AUTHORITY OF A TAX COLLECTOR SHALL
21 CONTINUE IN FORCE WITHOUT ANNUAL REAUTHORIZATION UNLESS
22 OTHERWISE REPEALED OR REVOKED BY THE POLITICAL SUBDIVISION OR
23 UNLESS OTHERWISE PROVIDED BY THIS ACT.

24 (2) EXCEPT AS PROVIDED IN [SUBSECTIONS (B) AND (C), ANY]
25 SECTION 506, POLITICAL SUBDIVISIONS IMPOSING TAXES UNDER
26 AUTHORITY OF THIS [ACT] CHAPTER ARE AUTHORIZED TO MAKE JOINT
27 AGREEMENTS FOR THE COLLECTION OF SUCH TAXES OR ANY OF THEM. THE
28 SAME [PERSON OR] BUREAU, POLITICAL SUBDIVISION OR PRIVATE AGENCY
29 MAY BE EMPLOYED BY TWO OR MORE POLITICAL SUBDIVISIONS TO COLLECT
30 ANY TAXES IMPOSED BY THEM UNDER AUTHORITY OF THIS [ACT] CHAPTER.

1 [(B) SINGLE COLLECTOR FOR EARNED INCOME TAXES WHEN CERTAIN
2 SCHOOL DISTRICTS IMPOSE SUCH TAXES.-- EXCEPT AS PROVIDED IN
3 SUBSECTION (C), WHENEVER A SCHOOL DISTRICT OF THE SECOND, THIRD
4 OR FOURTH CLASS SHALL BE ESTABLISHED PURSUANT TO SECTION 296,
5 ACT OF MARCH 10, 1949 (P.L.30), KNOWN AS THE "PUBLIC SCHOOL CODE
6 OF 1949," ADDED AUGUST 8, 1963 (P.L. 564), AND SUCH SCHOOL
7 DISTRICT SHALL LEVY, ASSESS AND COLLECT OR PROVIDE FOR THE
8 LEVYING, ASSESSMENT AND COLLECTION OF A TAX UPON EARNED INCOME,
9 SUCH SCHOOL DISTRICT AND ALL CITIES, BOROUGHES, TOWNS AND
10 TOWNSHIPS WITHIN ITS GEOGRAPHICAL LIMITS WHICH LEVY, ASSESS AND
11 COLLECT OR PROVIDE FOR THE LEVYING, ASSESSMENT AND COLLECTION OF
12 A TAX UPON EARNED INCOME, MAY ON JANUARY 1, 1967, OR AS SOON
13 THEREAFTER AS THE SCHOOL DISTRICT SHALL PROVIDE FOR THE LEVYING,
14 ASSESSMENT AND COLLECTION OF TAXES UPON EARNED INCOME, SELECT
15 ONE PERSON OR AGENCY TO COLLECT THE TAXES UPON EARNED INCOME
16 IMPOSED BY ALL SUCH POLITICAL SUBDIVISIONS. IN SELECTING SUCH
17 PERSON OR AGENCY, EACH POLITICAL SUBDIVISION SHALL SHARE IN THE
18 SELECTION UPON A BASIS AGREED UPON BY EACH POLITICAL
19 SUBDIVISION, OR IN THE ABSENCE OF ANY AGREEMENT ON THE BASIS OF
20 VOTING ACCORDING TO THE PROPORTION THAT THE POPULATION OF EACH
21 BEARS TO THE ENTIRE POPULATION OF THE COMBINED COLLECTION
22 DISTRICT, ACCORDING TO THE LATEST OFFICIAL FEDERAL CENSUS, AND
23 THE MAJORITY OF SUCH VOTES CAST SHALL DETERMINE THE PERSON OR
24 AGENCY SELECTED TO COLLECT THE TAXES. THE PROVISIONS OF THIS
25 PARAGRAPH SHALL NOT PROHIBIT SCHOOL DISTRICTS AND OTHER
26 POLITICAL SUBDIVISIONS WHICH LEVY, ASSESS AND COLLECT OR PROVIDE
27 FOR THE LEVYING, ASSESSMENT AND COLLECTION OF TAXES UPON EARNED
28 INCOME, UNDER AUTHORITY OF THIS ACT, FROM SELECTING THE SAME
29 PERSON OR AGENCY TO COLLECT SUCH TAX UPON EARNED INCOME IN AN
30 AREA LARGER THAN THE GEOGRAPHICAL LIMITS OF A SCHOOL DISTRICT

1 ESTABLISHED PURSUANT TO SECTION 296 OF THE "PUBLIC SCHOOL CODE
2 OF 1949."

3 (C) SINGLE TAX COLLECTOR IN CERTAIN HOME RULE
4 MUNICIPALITY.--IN A MUNICIPALITY HAVING A POPULATION UNDER THE
5 2000 FEDERAL DECENNIAL CENSUS OF AT LEAST FORTY THOUSAND AND
6 LESS THAN NINETY THOUSAND LOCATED IN A SECOND CLASS COUNTY AND
7 WHICH MUNICIPALITY HAS ADOPTED A HOME RULE CHARTER UNDER 53
8 PA.C.S. PT. III SUBPT. E (RELATING TO HOME RULE AND OPTIONAL
9 PLAN GOVERNMENT), THE PERSON OR PERSONS APPOINTED BY THE BOARD
10 OF SCHOOL DIRECTORS FOR THE SCHOOL DISTRICT IN WHICH THE
11 MUNICIPALITY IS LOCATED AS COLLECTOR OR COLLECTORS OF TAXES
12 LEVIED BY THE SCHOOL DISTRICT UNDER THIS ACT SHALL ALSO SERVE AS
13 THE COLLECTOR OR COLLECTORS OF TAXES LEVIED BY THE MUNICIPALITY
14 UNDER THIS ACT.]

15 SECTION 16. SECTION 11 OF THE ACT IS AMENDED TO READ:
16 [SECTION 11. AUDITS OF EARNED INCOME TAXES.--EXCEPT IN
17 CITIES OF THE SECOND CLASS, THE GOVERNING BODY OF EACH POLITICAL
18 SUBDIVISION WHICH LEVIES, ASSESSES AND COLLECTS OR PROVIDES FOR
19 THE LEVYING, ASSESSMENT AND COLLECTION OF A TAX UPON EARNED
20 INCOME, SHALL PROVIDE FOR NOT LESS THAN ONE EXAMINATION EACH
21 YEAR OF THE BOOKS, ACCOUNTS AND RECORDS OF THE INCOME TAX
22 COLLECTOR, BY A CERTIFIED PUBLIC ACCOUNTANT, A FIRM OF CERTIFIED
23 PUBLIC ACCOUNTANTS, A COMPETENT INDEPENDENT PUBLIC ACCOUNTANT,
24 OR A FIRM OF INDEPENDENT PUBLIC ACCOUNTANTS APPOINTED BY THE
25 GOVERNING BODY. WHENEVER ONE PERSON OR AGENCY IS SELECTED TO
26 COLLECT EARNED INCOME TAXES FOR MORE THAN ONE POLITICAL
27 SUBDIVISION, THE BOOKS, ACCOUNTS AND RECORDS OF SUCH PERSON OR
28 AGENCY SHALL BE EXAMINED AS PROVIDED ABOVE IN THE CASE OF A TAX
29 COLLECTOR FOR EACH POLITICAL SUBDIVISION, EXCEPT THAT THE
30 ACCOUNTANT SHALL BE SELECTED IN THE MANNER PROVIDED FOR

1 SELECTION OF ONE PERSON OR AGENCY TO COLLECT EARNED INCOME TAXES
2 FOR THE SCHOOL DISTRICT ESTABLISHED UNDER SECTION 296 OF THE
3 "PUBLIC SCHOOL CODE OF 1949," AND THE CITIES, BOROUGHES, TOWNS
4 AND TOWNSHIPS WITHIN THE GEOGRAPHICAL LIMITS OF SUCH SCHOOL
5 DISTRICT. THE REPORTS OF THE AUDIT SHALL BE SENT TO THE
6 GOVERNING BODY OR BODIES OF THE POLITICAL SUBDIVISION OR
7 POLITICAL SUBDIVISIONS EMPLOYING THE ACCOUNTANT. NO FURTHER OR
8 ADDITIONAL AUDIT SHALL BE PERFORMED BY ELECTED OR APPOINTED
9 AUDITORS.]

10 SECTION 17. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

11 SECTION 314. (RESERVED).

12 SECTION 18. SECTION 12 OF THE ACT IS AMENDED TO READ:

13 SECTION [12] 315. AUDITS OF TAXES OTHER THAN EARNED INCOME
14 TAXES.--THE BOOKS, ACCOUNTS AND RECORDS OF [PERSONS COLLECTING
15 TAXES] TAX COLLECTORS PURSUANT TO THIS [ACT] CHAPTER, OTHER THAN
16 TAXES LEVIED, ASSESSED AND COLLECTED UPON EARNED INCOME, SHALL
17 BE AUDITED, ADJUSTED AND SETTLED IN THE MANNER PRESCRIBED BY LAW
18 FOR THE AUDITING, ADJUSTING AND SETTLING OF ACCOUNTS OF PERSONS
19 RECEIVING OR EXPENDING FUNDS OF THE POLITICAL SUBDIVISION WHICH
20 HAS LEVIED, ASSESSED AND COLLECTED THE TAXES PURSUANT TO THIS
21 [ACT] CHAPTER, OTHER THAN TAXES LEVIED, ASSESSED AND COLLECTED
22 UPON EARNED INCOME.

23 SECTION 19. SECTION 13 OF THE ACT, AMENDED OCTOBER 4, 1978
24 (P.L.930, NO.177), JULY 9, 1987 (P.L.203, NO.30), DECEMBER 9,
25 2002 (P.L.1364, NO.166), APRIL 5, 2004 (P.L.208, NO.24) AND
26 NOVEMBER 30, 2004 (P.L.1520, NO.192), IS AMENDED TO READ:

27 [SECTION 13. EARNED INCOME TAXES.--ON AND AFTER THE
28 EFFECTIVE DATE OF THIS ACT THE REMAINING PROVISIONS OF THIS
29 SECTION SHALL BE INCLUDED IN OR CONSTRUED TO BE A PART OF EACH
30 TAX LEVIED AND ASSESSED UPON EARNED INCOME BY ANY POLITICAL

1 SUBDIVISION LEVYING AND ASSESSING SUCH TAX PURSUANT TO THIS ACT.
2 THE DEFINITIONS CONTAINED IN THIS SECTION SHALL BE EXCLUSIVE FOR
3 ANY TAX UPON EARNED INCOME AND NET PROFITS LEVIED AND ASSESSED
4 PURSUANT TO THIS ACT, AND SHALL NOT BE ALTERED OR CHANGED BY ANY
5 POLITICAL SUBDIVISION LEVYING AND ASSESSING SUCH TAX.

6 I. DEFINITIONS

7 "ASSOCIATION." A PARTNERSHIP, LIMITED PARTNERSHIP, OR ANY
8 OTHER UNINCORPORATED GROUP OF TWO OR MORE PERSONS.

9 "BUSINESS." AN ENTERPRISE, ACTIVITY, PROFESSION OR ANY OTHER
10 UNDERTAKING OF AN UNINCORPORATED NATURE CONDUCTED FOR PROFIT OR
11 ORDINARILY CONDUCTED FOR PROFIT WHETHER BY A PERSON,
12 PARTNERSHIP, ASSOCIATION, OR ANY OTHER ENTITY.

13 "CORPORATION." A CORPORATION OR JOINT STOCK ASSOCIATION
14 ORGANIZED UNDER THE LAWS OF THE UNITED STATES, THE COMMONWEALTH
15 OF PENNSYLVANIA, OR ANY OTHER STATE, TERRITORY, FOREIGN COUNTRY
16 OR DEPENDENCY.

17 "CURRENT YEAR." THE CALENDAR YEAR FOR WHICH THE TAX IS
18 LEVIED.

19 "DOMICILE." THE PLACE WHERE ONE LIVES AND HAS HIS PERMANENT
20 HOME AND TO WHICH HE HAS THE INTENTION OF RETURNING WHENEVER HE
21 IS ABSENT. ACTUAL RESIDENCE IS NOT NECESSARILY DOMICILE, FOR
22 DOMICILE IS THE FIXED PLACE OF ABODE WHICH, IN THE INTENTION OF
23 THE TAXPAYER, IS PERMANENT RATHER THAN TRANSITORY. DOMICILE IS
24 THE VOLUNTARILY FIXED PLACE OF HABITATION OF A PERSON, NOT FOR A
25 MERE SPECIAL OR LIMITED PURPOSE, BUT WITH THE PRESENT INTENTION
26 OF MAKING A PERMANENT HOME, UNTIL SOME EVENT OCCURS TO INDUCE
27 HIM TO ADOPT SOME OTHER PERMANENT HOME. IN THE CASE OF
28 BUSINESSES, OR ASSOCIATIONS, THE DOMICILE IS THAT PLACE
29 CONSIDERED AS THE CENTER OF BUSINESS AFFAIRS AND THE PLACE WHERE
30 ITS FUNCTIONS ARE DISCHARGED.

1 "EARNED INCOME." COMPENSATION AS DETERMINED UNDER SECTION 303
2 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE "TAX
3 REFORM CODE OF 1971," AND REGULATIONS IN 61 PA. CODE PT. I
4 SUBPT. B ART. V (RELATING TO PERSONAL INCOME TAX), NOT
5 INCLUDING, HOWEVER, WAGES OR COMPENSATION PAID TO INDIVIDUALS ON
6 ACTIVE MILITARY SERVICE. EMPLOYE BUSINESS EXPENSES ARE ALLOWABLE
7 DEDUCTIONS AS DETERMINED UNDER ARTICLE III OF THE "TAX REFORM
8 CODE OF 1971." THE AMOUNT OF ANY HOUSING ALLOWANCE PROVIDED TO A
9 MEMBER OF THE CLERGY SHALL NOT BE TAXABLE AS EARNED INCOME.

10 "INCOME TAX OFFICER OR OFFICER." PERSON, PUBLIC EMPLOYE OR
11 PRIVATE AGENCY DESIGNATED BY GOVERNING BODY TO COLLECT AND
12 ADMINISTER THE TAX ON EARNED INCOME AND NET PROFITS.

13 "EMPLOYER." A PERSON, PARTNERSHIP, ASSOCIATION, CORPORATION,
14 INSTITUTION, GOVERNMENTAL BODY OR UNIT OR AGENCY, OR ANY OTHER
15 ENTITY EMPLOYING ONE OR MORE PERSONS FOR A SALARY, WAGE,
16 COMMISSION OR OTHER COMPENSATION.

17 "NET PROFITS." THE NET INCOME FROM THE OPERATION OF A
18 BUSINESS, PROFESSION, OR OTHER ACTIVITY, EXCEPT CORPORATIONS,
19 DETERMINED UNDER SECTION 303 OF THE ACT OF MARCH 4, 1971 (P.L.6,
20 NO.2), KNOWN AS THE "TAX REFORM CODE OF 1971," AND REGULATIONS
21 IN 61 PA. CODE PT. I SUBPT. B ART. V (RELATING TO PERSONAL
22 INCOME TAX). THE TERM DOES NOT INCLUDE INCOME WHICH IS NOT PAID
23 FOR SERVICES PROVIDED AND WHICH IS IN THE NATURE OF EARNINGS
24 FROM AN INVESTMENT. FOR TAXPAYERS ENGAGED IN THE BUSINESS,
25 PROFESSION OR ACTIVITY OF FARMING, THE TERM SHALL NOT INCLUDE:

26 (1) ANY INTEREST EARNINGS GENERATED FROM ANY MONETARY
27 ACCOUNTS OR INVESTMENT INSTRUMENTS OF THE FARMING BUSINESS;

28 (2) ANY GAIN ON THE SALE OF FARM MACHINERY;

29 (3) ANY GAIN ON THE SALE OF LIVESTOCK HELD TWELVE MONTHS OR
30 MORE FOR DRAFT, BREEDING OR DAIRY PURPOSES; AND

(4) ANY GAIN ON THE SALE OF OTHER CAPITAL ASSETS OF THE FARM.

"NONRESIDENT." A PERSON, PARTNERSHIP, ASSOCIATION OR OTHER ENTITY DOMICILED OUTSIDE THE TAXING DISTRICT.

"PERSON OR INDIVIDUAL." A NATURAL PERSON.

"PRECEDING YEAR." THE CALENDAR YEAR BEFORE THE CURRENT YEAR.

"RESIDENT." A PERSON, PARTNERSHIP, ASSOCIATION OR OTHER ENTITY DOMICILED IN THE TAXING DISTRICT.

"SUCCEEDING YEAR." THE CALENDAR YEAR FOLLOWING THE CURRENT YEAR.

"TAXPAYER." A PERSON, PARTNERSHIP, ASSOCIATION, OR ANY OTHER ENTITY, REQUIRED HEREUNDER TO FILE A RETURN OF EARNED INCOME OR NET PROFITS, OR TO PAY A TAX THEREON.

II. IMPOSITION OF TAX

THE TAX LEVIED UNDER THIS ACT SHALL BE APPLICABLE TO EARNED INCOME RECEIVED AND TO NET PROFITS EARNED IN THE PERIOD BEGINNING JANUARY 1, OF THE CURRENT YEAR, AND ENDING DECEMBER 31, OF THE CURRENT YEAR OR FOR TAXPAYER FISCAL YEARS BEGINNING IN THE CURRENT YEAR, EXCEPT THAT TAXES IMPOSED FOR THE FIRST TIME SHALL BECOME EFFECTIVE FROM THE DATE SPECIFIED IN THE ORDINANCE OR RESOLUTION, AND THE TAX SHALL CONTINUE IN FORCE ON A CALENDAR YEAR OR TAXPAYER FISCAL YEAR BASIS, WITHOUT ANNUAL REENACTMENT, UNLESS THE RATE OF THE TAX IS SUBSEQUENTLY CHANGED. CHANGES IN RATE SHALL BECOME EFFECTIVE ON THE DATE SPECIFIED IN THE ORDINANCE.

III. DECLARATION AND PAYMENT OF TAX

A. NET PROFITS.

(1) EVERY TAXPAYER MAKING NET PROFITS SHALL, AS THE GOVERNING BODY ELECTS, (I) PAY TO THE OFFICER AN ANNUAL PAYMENT OF TAX DUE ON OR BEFORE APRIL 15, OF THE SUCCEEDING YEAR FOR THE

1 PERIOD BEGINNING JANUARY 1, AND ENDING DECEMBER 31, OF THE
2 CURRENT YEAR, OR (II) ON OR BEFORE APRIL 15, OF THE CURRENT
3 YEAR, MAKE AND FILE WITH THE OFFICER ON A FORM PRESCRIBED OR
4 APPROVED BY THE OFFICER, A DECLARATION OF HIS ESTIMATED NET
5 PROFITS DURING THE PERIOD BEGINNING JANUARY 1, AND ENDING
6 DECEMBER 31, OF THE CURRENT YEAR, AND PAY TO THE OFFICER IN FOUR
7 EQUAL QUARTERLY INSTALLMENTS THE TAX DUE THEREON AS FOLLOWS: THE
8 FIRST INSTALLMENT AT THE TIME OF FILING THE DECLARATION, AND THE
9 OTHER INSTALLMENTS ON OR BEFORE JUNE 15, OF THE CURRENT YEAR,
10 SEPTEMBER 15, OF THE CURRENT YEAR, AND JANUARY 15, OF THE
11 SUCCEEDING YEAR, RESPECTIVELY.

12 (2) WHERE THE GOVERNING BODY ELECTS TO REQUIRE THE FILING OF
13 A DECLARATION AND QUARTERLY PAYMENTS, ANY TAXPAYER WHO FIRST
14 ANTICIPATES ANY NET PROFIT AFTER APRIL 15, OF THE CURRENT YEAR,
15 SHALL MAKE AND FILE THE DECLARATION HEREINABOVE REQUIRED ON OR
16 BEFORE JUNE 15, OF THE CURRENT YEAR, SEPTEMBER 15, OF THE
17 CURRENT YEAR, OR DECEMBER 31, OF THE CURRENT YEAR, WHICHEVER OF
18 THESE DATES NEXT FOLLOWS THE DATE ON WHICH THE TAXPAYER FIRST
19 ANTICIPATES SUCH NET PROFIT, AND PAY TO THE OFFICER IN EQUAL
20 INSTALLMENTS THE TAX DUE THEREON ON OR BEFORE THE QUARTERLY
21 PAYMENT DATES WHICH REMAIN AFTER THE FILING OF THE DECLARATION.

22 (3) WHERE THE GOVERNING BODY REQUIRES A DECLARATION OF
23 ESTIMATED NET PROFITS AND QUARTERLY PAYMENTS OF TAX DUE ON SUCH
24 PROFITS, EVERY TAXPAYER SHALL, ON OR BEFORE APRIL 15, OF THE
25 SUCCEEDING YEAR, MAKE AND FILE WITH THE OFFICER ON A FORM
26 PRESCRIBED OR APPROVED BY THE OFFICER A FINAL RETURN SHOWING THE
27 AMOUNT OF NET PROFITS EARNED DURING THE PERIOD BEGINNING JANUARY
28 1, OF THE CURRENT YEAR, AND ENDING DECEMBER 31, OF THE CURRENT
29 YEAR, THE TOTAL AMOUNT OF TAX DUE THEREON AND THE TOTAL AMOUNT
30 OF TAX PAID THEREON. AT THE TIME OF FILING THE FINAL RETURN, THE

1 TAXPAYER SHALL PAY TO THE OFFICER THE BALANCE OF TAX DUE OR
2 SHALL MAKE DEMAND FOR REFUND OR CREDIT IN THE CASE OF
3 OVERPAYMENT.

4 ANY TAXPAYER MAY, IN LIEU OF PAYING THE FOURTH QUARTERLY
5 INSTALLMENT OF HIS ESTIMATED TAX, ELECT TO MAKE AND FILE WITH
6 THE OFFICER ON OR BEFORE JANUARY 31, OF THE SUCCEEDING YEAR, THE
7 FINAL RETURN AS HEREINABOVE REQUIRED.

8 (4) THE OFFICER MAY BE AUTHORIZED TO PROVIDE BY REGULATION
9 FOR THE MAKING AND FILING OF ADJUSTED DECLARATIONS OF ESTIMATED
10 NET PROFITS, AND FOR THE PAYMENTS OF THE ESTIMATED TAX IN CASES
11 WHERE A TAXPAYER WHO HAS FILED THE DECLARATION HEREINABOVE
12 REQUIRED ANTICIPATES ADDITIONAL NET PROFITS NOT PREVIOUSLY
13 DECLARED OR FINDS THAT HE HAS OVERESTIMATED HIS ANTICIPATED NET
14 PROFITS.

15 (5) EVERY TAXPAYER WHO DISCONTINUES BUSINESS PRIOR TO
16 DECEMBER 31, OF THE CURRENT YEAR, SHALL, WITHIN THIRTY DAYS
17 AFTER THE DISCONTINUANCE OF BUSINESS, FILE HIS FINAL RETURN AS
18 HEREINABOVE REQUIRED AND PAY THE TAX DUE.

19 B. EARNED INCOME.

20 ANNUAL EARNED INCOME TAX RETURN.

21 AT THE ELECTION OF THE GOVERNING BODY EVERY TAXPAYER SHALL,
22 ON OR BEFORE APRIL 15, OF THE SUCCEEDING YEAR, MAKE AND FILE
23 WITH THE OFFICER ON A FORM PRESCRIBED OR APPROVED BY THE OFFICER
24 A FINAL RETURN SHOWING THE AMOUNT OF EARNED INCOME RECEIVED
25 DURING THE PERIOD BEGINNING JANUARY 1, OF THE CURRENT YEAR, AND
26 ENDING DECEMBER 31, OF THE CURRENT YEAR, THE TOTAL AMOUNT OF TAX
27 DUE THEREON, THE AMOUNT OF TAX PAID THEREON, THE AMOUNT OF TAX
28 THEREON THAT HAS BEEN WITHHELD PURSUANT TO THE PROVISIONS
29 RELATING TO THE COLLECTION AT SOURCE AND THE BALANCE OF TAX DUE.
30 AT THE TIME OF FILING THE FINAL RETURN, THE TAXPAYER SHALL PAY

1 THE BALANCE OF THE TAX DUE OR SHALL MAKE DEMAND FOR REFUND OR
2 CREDIT IN THE CASE OF OVERPAYMENT.

3 EARNED INCOME NOT SUBJECT TO WITHHOLDING.

4 EVERY TAXPAYER WHO IS EMPLOYED FOR A SALARY, WAGE,
5 COMMISSION, OR OTHER COMPENSATION AND WHO RECEIVED ANY EARNED
6 INCOME NOT SUBJECT TO THE PROVISIONS RELATING TO COLLECTION AT
7 SOURCE, SHALL AS THE GOVERNING BODY ELECTS:

8 (1) MAKE AND FILE WITH THE OFFICER ON A FORM PRESCRIBED OR
9 APPROVED BY THE OFFICER, AN ANNUAL RETURN SETTING FORTH THE
10 AGGREGATE AMOUNT OF EARNED INCOME NOT SUBJECT TO WITHHOLDING
11 FROM HIM DURING THE PERIOD BEGINNING JANUARY 1, AND ENDING
12 DECEMBER 31, OF THE CURRENT YEAR, AND SUCH OTHER INFORMATION AS
13 THE OFFICER MAY REQUIRE, AND PAY TO THE OFFICER THE AMOUNT OF
14 TAX SHOWN AS DUE THEREON ON OR BEFORE APRIL 15, OF THE
15 SUCCEEDING YEAR, OR

16 (2) MAKE AND FILE WITH THE OFFICER ON A FORM PRESCRIBED OR
17 APPROVED BY THE OFFICER, A QUARTERLY RETURN ON OR BEFORE APRIL
18 30, OF THE CURRENT YEAR, JULY 31, OF THE CURRENT YEAR, OCTOBER
19 31, OF THE CURRENT YEAR, AND JANUARY 31, OF THE SUCCEEDING YEAR,
20 SETTING FORTH THE AGGREGATE AMOUNT OF EARNED INCOME NOT SUBJECT
21 TO WITHHOLDING BY HIM DURING THE THREE-MONTH PERIODS ENDING
22 MARCH 31, OF THE CURRENT YEAR, JUNE 30, OF THE CURRENT YEAR,
23 SEPTEMBER 30, OF THE CURRENT YEAR, AND DECEMBER 31, OF THE
24 CURRENT YEAR, RESPECTIVELY, AND SUBJECT TO THE TAX, TOGETHER
25 WITH SUCH OTHER INFORMATION AS THE OFFICER MAY REQUIRE. EVERY
26 TAXPAYER MAKING SUCH RETURN SHALL, AT THE TIME OF FILING
27 THEREOF, PAY TO THE OFFICER THE AMOUNT OF TAX SHOWN AS DUE
28 THEREON.

29 IV. COLLECTION AT SOURCE

30 (A) EVERY EMPLOYER HAVING AN OFFICE, FACTORY, WORKSHOP,

1 BRANCH, WAREHOUSE, OR OTHER PLACE OF BUSINESS WITHIN THE TAXING
2 JURISDICTION IMPOSING A TAX ON EARNED INCOME OR NET PROFITS
3 WITHIN THE TAXING DISTRICT WHO EMPLOYS ONE OR MORE PERSONS,
4 OTHER THAN DOMESTIC SERVANTS, FOR A SALARY, WAGE, COMMISSION OR
5 OTHER COMPENSATION, WHO HAS NOT PREVIOUSLY REGISTERED, SHALL,
6 WITHIN FIFTEEN DAYS AFTER BECOMING AN EMPLOYER, REGISTER WITH
7 THE OFFICER HIS NAME AND ADDRESS AND SUCH OTHER INFORMATION AS
8 THE OFFICER MAY REQUIRE.

9 (B) EVERY EMPLOYER HAVING AN OFFICE, FACTORY, WORKSHOP,
10 BRANCH, WAREHOUSE, OR OTHER PLACE OF BUSINESS WITHIN THE TAXING
11 JURISDICTION IMPOSING A TAX ON EARNED INCOME OR NET PROFITS
12 WITHIN THE TAXING DISTRICT WHO EMPLOYS ONE OR MORE PERSONS,
13 OTHER THAN DOMESTIC SERVANTS, FOR A SALARY, WAGE, COMMISSION, OR
14 OTHER COMPENSATION, SHALL DEDUCT AT THE TIME OF PAYMENT THEREOF,
15 THE TAX IMPOSED BY ORDINANCE OR RESOLUTION ON THE EARNED INCOME
16 DUE TO HIS EMPLOYEE OR EMPLOYEES, AND SHALL, ON OR BEFORE APRIL
17 30, OF THE CURRENT YEAR, JULY 31, OF THE CURRENT YEAR, OCTOBER
18 31, OF THE CURRENT YEAR, AND JANUARY 31, OF THE SUCCEEDING YEAR,
19 FILE A RETURN AND PAY TO THE OFFICER THE AMOUNT OF TAXES
20 DEDUCTED DURING THE PRECEDING THREE-MONTH PERIODS ENDING MARCH
21 31, OF THE CURRENT YEAR, JUNE 30, OF THE CURRENT YEAR, SEPTEMBER
22 30, OF THE CURRENT YEAR, AND DECEMBER 31, OF THE CURRENT YEAR,
23 RESPECTIVELY. SUCH RETURN UNLESS OTHERWISE AGREED UPON BETWEEN
24 THE OFFICER AND EMPLOYER SHALL SHOW THE NAME AND SOCIAL SECURITY
25 NUMBER OF EACH SUCH EMPLOYEE, THE EARNED INCOME OF SUCH EMPLOYEE
26 DURING SUCH PRECEDING THREE-MONTH PERIOD, THE TAX DEDUCTED
27 THEREFROM, THE POLITICAL SUBDIVISIONS IMPOSING THE TAX UPON SUCH
28 EMPLOYEE, THE TOTAL EARNED INCOME OF ALL SUCH EMPLOYEES DURING
29 SUCH PRECEDING THREE-MONTH PERIOD, AND THE TOTAL TAX DEDUCTED
30 THEREFROM AND PAID WITH THE RETURN.

1 ANY EMPLOYER WHO FOR TWO OF THE PRECEDING FOUR QUARTERLY
2 PERIODS HAS FAILED TO DEDUCT THE PROPER TAX, OR ANY PART
3 THEREOF, OR HAS FAILED TO PAY OVER THE PROPER AMOUNT OF TAX TO
4 THE TAXING AUTHORITY, MAY BE REQUIRED BY THE OFFICER TO FILE HIS
5 RETURN AND PAY THE TAX MONTHLY. IN SUCH CASES, PAYMENTS OF TAX
6 SHALL BE MADE TO THE OFFICER ON OR BEFORE THE LAST DAY OF THE
7 MONTH SUCCEEDING THE MONTH FOR WHICH THE TAX WAS WITHHELD.

8 (C) ON OR BEFORE FEBRUARY 28, OF THE SUCCEEDING YEAR, EVERY
9 EMPLOYER SHALL FILE WITH THE OFFICER:

10 (1) AN ANNUAL RETURN SHOWING THE TOTAL AMOUNT OF EARNED
11 INCOME PAID, THE TOTAL AMOUNT OF TAX DEDUCTED, AND THE TOTAL
12 AMOUNT OF TAX PAID TO THE OFFICER FOR THE PERIOD BEGINNING
13 JANUARY 1, OF THE CURRENT YEAR, AND ENDING DECEMBER 31, OF THE
14 CURRENT YEAR.

15 (2) A RETURN WITHHOLDING STATEMENT FOR EACH EMPLOYEE EMPLOYED
16 DURING ALL OR ANY PART OF THE PERIOD BEGINNING JANUARY 1, OF THE
17 CURRENT YEAR, AND ENDING DECEMBER 31, OF THE CURRENT YEAR,
18 SETTING FORTH THE EMPLOYEE'S NAME, ADDRESS AND SOCIAL SECURITY
19 NUMBER, THE AMOUNT OF EARNED INCOME PAID TO THE EMPLOYEE DURING
20 SAID PERIOD, THE AMOUNT OF TAX DEDUCTED, THE POLITICAL
21 SUBDIVISIONS IMPOSING THE TAX UPON SUCH EMPLOYEE, THE AMOUNT OF
22 TAX PAID TO THE OFFICER. EVERY EMPLOYER SHALL FURNISH TWO COPIES
23 OF THE INDIVIDUAL RETURN TO THE EMPLOYEE FOR WHOM IT IS FILED.

24 (D) EVERY EMPLOYER WHO DISCONTINUES BUSINESS PRIOR TO
25 DECEMBER 31, OF THE CURRENT YEAR, SHALL, WITHIN THIRTY DAYS
26 AFTER THE DISCONTINUANCE OF BUSINESS, FILE THE RETURNS AND
27 WITHHOLDING STATEMENTS HEREINABOVE REQUIRED AND PAY THE TAX DUE.

28 (E) EXCEPT AS OTHERWISE PROVIDED IN SECTION 9, EVERY
29 EMPLOYER WHO WILFULLY OR NEGLIGENTLY FAILS OR OMITTS TO MAKE THE
30 DEDUCTIONS REQUIRED BY THIS SECTION SHALL BE LIABLE FOR PAYMENT

1 OF THE TAXES WHICH HE WAS REQUIRED TO WITHHOLD TO THE EXTENT
2 THAT SUCH TAXES HAVE NOT BEEN RECOVERED FROM THE EMPLOYE.

3 (F) THE FAILURE OR OMISSION OF ANY EMPLOYER TO MAKE THE
4 DEDUCTIONS REQUIRED BY THIS SECTION SHALL NOT RELIEVE ANY
5 EMPLOYE FROM THE PAYMENT OF THE TAX OR FROM COMPLYING WITH THE
6 REQUIREMENTS OF THE ORDINANCE OR RESOLUTION RELATING TO THE
7 FILING OF DECLARATIONS AND RETURNS.

8 V. POWERS AND DUTIES OF OFFICER

9 (A) IT SHALL BE THE DUTY OF THE OFFICER TO COLLECT AND
10 RECEIVE THE TAXES, FINES AND PENALTIES IMPOSED BY THE ORDINANCE
11 OR RESOLUTION. IT SHALL ALSO BE HIS DUTY TO KEEP A RECORD
12 SHOWING THE AMOUNT RECEIVED BY HIM FROM EACH PERSON OR BUSINESS
13 PAYING THE TAX AND THE DATE OF SUCH RECEIPT.

14 (B) EACH OFFICER, BEFORE ENTERING UPON HIS OFFICIAL DUTIES
15 SHALL GIVE AND ACKNOWLEDGE A BOND TO THE POLITICAL SUBDIVISION
16 OR POLITICAL SUBDIVISIONS APPOINTING HIM. IF SUCH POLITICAL
17 SUBDIVISION OR POLITICAL SUBDIVISIONS SHALL BY RESOLUTION
18 DESIGNATE ANY BOND PREVIOUSLY GIVEN BY THE OFFICER AS ADEQUATE,
19 SUCH BOND SHALL BE SUFFICIENT TO SATISFY THE REQUIREMENTS OF THE
20 SUBSECTION.

21 EACH SUCH BOND SHALL BE JOINT AND SEVERAL, WITH ONE OR MORE
22 CORPORATE SURETIES WHICH SHALL BE SURETY COMPANIES AUTHORIZED TO
23 DO BUSINESS IN THIS COMMONWEALTH AND DULY LICENSED BY THE
24 INSURANCE COMMISSIONER OF THIS COMMONWEALTH.

25 EACH BOND SHALL BE CONDITIONED UPON THE FAITHFUL DISCHARGE BY
26 THE OFFICER, HIS CLERKS, ASSISTANTS AND APPOINTEES OF ALL TRUSTS
27 CONFIDED IN HIM BY VIRTUE OF HIS OFFICE, UPON THE FAITHFUL
28 EXECUTION OF ALL DUTIES REQUIRED OF HIM BY VIRTUE OF HIS OFFICE,
29 UPON THE JUST AND FAITHFUL ACCOUNTING OR PAYMENT OVER, ACCORDING
30 TO LAW, OF ALL MONEYS AND ALL BALANCES THEREOF PAID TO, RECEIVED

1 OR HELD BY HIM BY VIRTUE OF HIS OFFICE AND UPON THE DELIVERY TO
2 HIS SUCCESSOR OR SUCCESSORS IN OFFICE OF ALL BOOKS, PAPERS,
3 DOCUMENTS OR OTHER OFFICIAL THINGS HELD IN RIGHT OF HIS OFFICE.

4 EACH SUCH BOND SHALL BE TAKEN IN THE NAME OF THE APPOINTING
5 AUTHORITY OR AUTHORITIES, AND SHALL BE FOR THE USE OF THE
6 POLITICAL SUBDIVISION OR POLITICAL SUBDIVISIONS APPOINTING THE
7 OFFICER, AND FOR THE USE OF SUCH OTHER PERSON OR PERSONS FOR
8 WHOM MONEY SHALL BE COLLECTED OR RECEIVED, OR AS HIS OR HER
9 INTEREST SHALL OTHERWISE APPEAR, IN CASE OF A BREACH OF ANY OF
10 THE CONDITIONS THEREOF BY THE ACTS OR NEGLECT OF THE PRINCIPAL
11 ON THE BOND.

12 THE POLITICAL SUBDIVISION OR POLITICAL SUBDIVISIONS
13 APPOINTING THE OFFICER, OR ANY PERSON MAY SUE UPON THE SAID BOND
14 IN ITS OR HIS OWN NAME FOR ITS OR HIS OWN USE.

15 EACH SUCH BOND SHALL CONTAIN THE NAME OR NAMES OF THE SURETY
16 COMPANY OR COMPANIES BOUND THEREON. THE POLITICAL SUBDIVISION OR
17 POLITICAL SUBDIVISIONS APPOINTING THE OFFICER SHALL FIX THE
18 AMOUNT OF THE BOND AT AN AMOUNT EQUAL TO THE MAXIMUM AMOUNT OF
19 TAXES WHICH MAY BE IN THE POSSESSION OF THE OFFICER AT ANY GIVEN
20 TIME.

21 THE POLITICAL SUBDIVISION OR POLITICAL SUBDIVISIONS
22 APPOINTING THE OFFICER MAY, AT ANY TIME, UPON CAUSE SHOWN AND
23 DUE NOTICE TO THE OFFICER, AND HIS SURETY OR SURETIES, REQUIRE
24 OR ALLOW THE SUBSTITUTION OR THE ADDITION OF A SURETY COMPANY
25 ACCEPTABLE TO SUCH POLITICAL SUBDIVISION OR POLITICAL
26 SUBDIVISIONS FOR THE PURPOSE OF MAKING THE BOND SUFFICIENT IN
27 AMOUNT, WITHOUT RELEASING THE SURETY OR SURETIES FIRST APPROVED
28 FROM ANY ACCRUED LIABILITY OR PREVIOUS ACTION ON SUCH BOND.

29 THE POLITICAL SUBDIVISION OR POLITICAL SUBDIVISIONS
30 APPOINTING THE OFFICER SHALL DESIGNATE THE CUSTODIAN OF THE BOND

1 REQUIRED TO BE GIVEN BY THE OFFICER.

2 (C) THE OFFICER CHARGED WITH THE ADMINISTRATION AND
3 ENFORCEMENT OF THE PROVISIONS OF THE ORDINANCE OR RESOLUTION IS
4 HEREBY EMPOWERED TO PRESCRIBE, ADOPT, PROMULGATE AND ENFORCE,
5 RULES AND REGULATIONS RELATING TO ANY MATTER PERTAINING TO THE
6 ADMINISTRATION AND ENFORCEMENT OF THE ORDINANCE OR RESOLUTION,
7 INCLUDING PROVISIONS FOR THE RE-EXAMINATION AND CORRECTION OF
8 DECLARATIONS AND RETURNS, AND OF PAYMENTS ALLEGED OR FOUND TO BE
9 INCORRECT, OR AS TO WHICH AN OVERPAYMENT IS CLAIMED OR FOUND TO
10 HAVE OCCURRED, AND TO MAKE REFUNDS IN CASE OF OVERPAYMENT, FOR
11 ANY PERIOD OF TIME NOT TO EXCEED SIX YEARS SUBSEQUENT TO THE
12 DATE OF PAYMENT OF THE SUM INVOLVED, AND TO PRESCRIBE FORMS
13 NECESSARY FOR THE ADMINISTRATION OF THE ORDINANCE OR RESOLUTION.
14 NO RULE OR REGULATION OF ANY KIND SHALL BE ENFORCEABLE UNLESS IT
15 HAS BEEN APPROVED BY RESOLUTION BY THE GOVERNING BODY. A COPY OF
16 SUCH RULES AND REGULATIONS CURRENTLY IN FORCE SHALL BE AVAILABLE
17 FOR PUBLIC INSPECTION.

18 (D) THE OFFICER SHALL REFUND, ON PETITION OF, AND PROOF BY
19 THE TAXPAYER, EARNED INCOME TAX PAID ON THE TAXPAYER'S ORDINARY
20 AND NECESSARY BUSINESS EXPENSES, TO THE EXTENT THAT SUCH
21 EXPENSES ARE NOT PAID BY THE TAXPAYER'S EMPLOYER.

22 (E) THE OFFICER AND AGENTS DESIGNATED BY HIM ARE HEREBY
23 AUTHORIZED TO EXAMINE THE BOOKS, PAPERS, AND RECORDS OF ANY
24 EMPLOYER OR OF ANY TAXPAYER OR OF ANY PERSON WHOM THE OFFICER
25 REASONABLY BELIEVES TO BE AN EMPLOYER OR TAXPAYER, IN ORDER TO
26 VERIFY THE ACCURACY OF ANY DECLARATION OR RETURN, OR IF NO
27 DECLARATION OR RETURN WAS FILED, TO ASCERTAIN THE TAX DUE. EVERY
28 EMPLOYER AND EVERY TAXPAYER AND EVERY PERSON WHOM THE OFFICER
29 REASONABLY BELIEVES TO BE AN EMPLOYER OR TAXPAYER, IS HEREBY
30 DIRECTED AND REQUIRED TO GIVE TO THE OFFICER, OR TO ANY AGENT

1 DESIGNATED BY HIM, THE MEANS, FACILITIES AND OPPORTUNITY FOR
2 SUCH EXAMINATION AND INVESTIGATIONS, AS ARE HEREBY AUTHORIZED.

3 (F) ANY INFORMATION GAINED BY THE OFFICER, HIS AGENTS, OR BY
4 ANY OTHER OFFICIAL OR AGENT OF THE TAXING DISTRICT, AS A RESULT
5 OF ANY DECLARATIONS, RETURNS, INVESTIGATIONS, HEARINGS OR
6 VERIFICATIONS REQUIRED OR AUTHORIZED BY THE ORDINANCE OR
7 RESOLUTION, SHALL BE CONFIDENTIAL, EXCEPT FOR OFFICIAL PURPOSES
8 AND EXCEPT IN ACCORDANCE WITH A PROPER JUDICIAL ORDER, OR AS
9 OTHERWISE PROVIDED BY LAW.

10 (G) THE OFFICER IS AUTHORIZED TO ESTABLISH DIFFERENT FILING,
11 REPORTING AND PAYMENT DATES FOR TAXPAYERS WHOSE FISCAL YEARS DO
12 NOT COINCIDE WITH THE CALENDAR YEAR.

13 (H) THE OFFICER SHALL DISTRIBUTE EARNED INCOME TAXES TO THE
14 APPROPRIATE POLITICAL SUBDIVISIONS WITHIN SIXTY DAYS OF THE
15 DEADLINE FOR PAYMENT BY AN EMPLOYER AS SET FORTH IN DIVISION
16 IV(B). THE POLITICAL SUBDIVISIONS SHALL NOT BE REQUIRED TO
17 REQUEST THE OFFICER TO DISTRIBUTE THE FUNDS COLLECTED BUT SHALL
18 AT LEAST ANNUALLY RECONCILE THEIR RECEIPTS WITH THE RECORDS OF
19 THE OFFICER AND RETURN TO OR CREDIT THE OFFICER WITH ANY
20 OVERPAYMENT. A POLITICAL SUBDIVISION SHALL NOT BE REQUIRED TO
21 PAY A FEE OR COMMISSION TO THE OTHER POLITICAL SUBDIVISION OR
22 ITS TAX OFFICER FOR TAX REVENUE DISTRIBUTED UNDER THIS
23 SUBSECTION. IF THE OFFICER, WITHIN ONE YEAR AFTER RECEIVING A
24 TAX PAYMENT, CANNOT IDENTIFY THE TAXING JURISDICTION ENTITLED TO
25 A TAX PAYMENT, HE SHALL MAKE PAYMENT TO THE MUNICIPALITY IN
26 WHICH THE TAX WAS COLLECTED. IF EARNED INCOME TAXES ARE NOT
27 DISTRIBUTED TO THE APPROPRIATE POLITICAL SUBDIVISION WITHIN ONE
28 YEAR OF RECEIPT, THE POLITICAL SUBDIVISION MAY MAKE A WRITTEN
29 DEMAND ON A TAX OFFICER OR POLITICAL SUBDIVISION FOR TAX
30 REVENUES COLLECTED AND ATTRIBUTABLE TO RESIDENTS OF THE

1 POLITICAL SUBDIVISION MAKING THE DEMAND. IF THE TAXES
2 ATTRIBUTABLE TO RESIDENTS OF THE POLITICAL SUBDIVISION MAKING
3 THE DEMAND ARE NOT PAID WITHIN THIRTY DAYS FROM THE DATE OF THE
4 DEMAND, THE POLITICAL SUBDIVISION, PERSON, PUBLIC EMPLOYE OR
5 PRIVATE AGENCY DESIGNATED BY THE POLITICAL SUBDIVISION MAY ENTER
6 INTO AN ARBITRATION AGREEMENT WITH THE OFFICER UNDER 42 PA.C.S.
7 CH. 73 SUBCH. A (RELATING TO STATUTORY ARBITRATION) OR BRING AN
8 ACTION IN AN APPROPRIATE COURT OF COMMON PLEAS IN THE NAME OF
9 THE TAXING DISTRICT FOR THE RECOVERY OF TAXES NOT DISTRIBUTED IN
10 ACCORDANCE WITH THIS SUBSECTION. THE ACTION MUST BE BROUGHT
11 WITHIN SEVEN YEARS OF THE COLLECTION OF THE TAXES.

12 VI. COMPENSATION OF INCOME TAX OFFICER

13 THE INCOME TAX OFFICER SHALL RECEIVE SUCH COMPENSATION FOR
14 HIS SERVICES AND EXPENSES AS DETERMINED BY THE GOVERNING BODY.
15 IN THE CASE OF A SINGLE COLLECTOR ESTABLISHED PURSUANT TO
16 SUBSECTION (B) OF SECTION 10 OF THIS ACT, THE TAXING
17 JURISDICTIONS SHALL SHARE IN THE COMPENSATION AND EXPENSES OF A
18 SINGLE OFFICER ACCORDING TO THE PROPORTIONATE SHARE THAT THE
19 TOTAL ANNUAL COLLECTIONS FOR EACH JURISDICTION BEARS TO THE
20 TOTAL ANNUAL COLLECTION FOR ALL POLITICAL SUBDIVISIONS IN A
21 SINGLE COLLECTOR DISTRICT, EXCEPT THAT WITH THE AGREEMENT OF
22 TWO-THIRDS OF ALL PARTICIPATING POLITICAL SUBDIVISIONS, A
23 DIFFERENT MANNER OF SHARING MAY BE SUBSTITUTED.

24 VII. SUIT FOR COLLECTION OF TAX

25 (A) THE OFFICER MAY SUE IN THE NAME OF THE TAXING DISTRICT
26 FOR THE RECOVERY OF TAXES DUE AND UNPAID UNDER THIS ORDINANCE.

27 (B) ANY SUIT BROUGHT TO RECOVER THE TAX IMPOSED BY THE
28 ORDINANCE OR RESOLUTION SHALL BE BEGUN WITHIN THREE YEARS AFTER
29 SUCH TAX IS DUE, OR WITHIN THREE YEARS AFTER THE DECLARATION OR
30 RETURN HAS BEEN FILED, WHICHEVER DATE IS LATER: PROVIDED,

1 HOWEVER, THAT THIS LIMITATION SHALL NOT PREVENT THE INSTITUTION
2 OF A SUIT FOR THE COLLECTION OF ANY TAX DUE OR DETERMINED TO BE
3 DUE IN THE FOLLOWING CASES:

4 (1) WHERE NO DECLARATION OR RETURN WAS FILED BY ANY PERSON
5 ALTHOUGH A DECLARATION OR RETURN WAS REQUIRED TO BE FILED BY HIM
6 UNDER PROVISIONS OF THE ORDINANCE OR RESOLUTION, THERE SHALL BE
7 NO LIMITATION.

8 (2) WHERE AN EXAMINATION OF THE DECLARATION OR RETURN FILED
9 BY ANY PERSON, OR OF OTHER EVIDENCE RELATING TO SUCH DECLARATION
10 OR RETURN IN THE POSSESSION OF THE OFFICER, REVEALS A FRAUDULENT
11 EVASION OF TAXES, THERE SHALL BE NO LIMITATION.

12 (3) IN THE CASE OF SUBSTANTIAL UNDERSTATEMENT OF TAX
13 LIABILITY OF TWENTY-FIVE PERCENT OR MORE AND NO FRAUD, SUIT
14 SHALL BE BEGUN WITHIN SIX YEARS.

15 (4) WHERE ANY PERSON HAS DEDUCTED TAXES UNDER THE PROVISIONS
16 OF THE ORDINANCE OR RESOLUTION, AND HAS FAILED TO PAY THE
17 AMOUNTS SO DEDUCTED TO THE OFFICER, OR WHERE ANY PERSON HAS
18 WILFULLY FAILED OR OMITTED TO MAKE THE DEDUCTIONS REQUIRED BY
19 THIS SECTION, THERE SHALL BE NO LIMITATION.

20 (5) THIS SECTION SHALL NOT BE CONSTRUED TO LIMIT THE
21 GOVERNING BODY FROM RECOVERING DELINQUENT TAXES BY ANY OTHER
22 MEANS PROVIDED BY THIS ACT.

23 (C) THE OFFICER MAY SUE FOR RECOVERY OF AN ERRONEOUS REFUND
24 PROVIDED SUCH SUIT IS BEGUN TWO YEARS AFTER MAKING SUCH REFUND,
25 EXCEPT THAT THE SUIT MAY BE BROUGHT WITHIN FIVE YEARS IF IT
26 APPEARS THAT ANY PART OF THE REFUND WAS INDUCED BY FRAUD OR
27 MISREPRESENTATION OF MATERIAL FACT.

28 VIII. INTEREST AND PENALTIES

29 (A) IF FOR ANY REASON THE TAX IS NOT PAID WHEN DUE, INTEREST
30 AT THE RATE OF SIX PERCENT PER ANNUM ON THE AMOUNT OF SAID TAX,

1 AND AN ADDITIONAL PENALTY OF ONE-HALF OF ONE PERCENT OF THE
2 AMOUNT OF THE UNPAID TAX FOR EACH MONTH OR FRACTION THEREOF
3 DURING WHICH THE TAX REMAINS UNPAID, SHALL BE ADDED AND
4 COLLECTED. WHERE SUIT IS BROUGHT FOR THE RECOVERY OF ANY SUCH
5 TAX, THE PERSON LIABLE THEREFOR SHALL, IN ADDITION, BE LIABLE
6 FOR THE COSTS OF COLLECTION AND THE INTEREST AND PENALTIES
7 HEREIN IMPOSED.

8 (B) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A), THE
9 GOVERNING BODY MAY, BY ORDINANCE OR RESOLUTION, ESTABLISH A ONE-
10 TIME PERIOD DURING WHICH INTEREST OR INTEREST AND PENALTIES THAT
11 WOULD OTHERWISE BE IMPOSED FOR THE NONREPORTING OR
12 UNDERREPORTING OF EARNED INCOME TAX LIABILITIES OR FOR THE
13 NONPAYMENT OF EARNED INCOME TAXES PREVIOUSLY IMPOSED AND DUE
14 SHALL BE WAIVED IN TOTAL OR IN PART IF THE TAXPAYER VOLUNTARILY
15 FILES DELINQUENT RETURNS AND PAYS THE TAXES IN FULL DURING THE
16 PERIOD SO ESTABLISHED. EACH GOVERNING BODY MAY ADOPT REGULATIONS
17 TO IMPLEMENT THE PROVISIONS OF THIS SUBSECTION.

18 (C) THE PROVISIONS OF SUBSECTION (B) SHALL NOT AFFECT OR
19 TERMINATE ANY PETITIONS, INVESTIGATIONS, PROSECUTIONS OR OTHER
20 PROCEEDINGS PENDING UNDER THE PROVISIONS OF THIS ACT, OR PREVENT
21 THE COMMENCEMENT OR FURTHER PROSECUTION OF ANY PROCEEDINGS BY
22 THE PROPER AUTHORITIES FOR VIOLATIONS OF THIS ACT. NO
23 PROCEEDINGS SHALL, HOWEVER, BE COMMENCED ON THE BASIS OF
24 DELINQUENT RETURNS FILED PURSUANT TO SUBSECTION (B) IF THE
25 RETURNS ARE DETERMINED TO BE SUBSTANTIALLY TRUE AND CORRECT AND
26 THE TAXES ARE PAID IN FULL WITHIN THE PRESCRIBED TIME.

27 IX. FINES AND PENALTIES FOR VIOLATION
28 OF ORDINANCES OR RESOLUTIONS

29 (A) ANY PERSON WHO FAILS, NEGLECTS, OR REFUSES TO MAKE ANY
30 DECLARATION OR RETURN REQUIRED BY THE ORDINANCE OR RESOLUTION,

1 ANY EMPLOYER WHO FAILS, NEGLECTS OR REFUSES TO REGISTER OR TO
2 PAY THE TAX DEDUCTED FROM HIS EMPLOYEES, OR FAILS, NEGLECTS OR
3 REFUSES TO DEDUCT OR WITHHOLD THE TAX FROM HIS EMPLOYEES, ANY
4 PERSON WHO REFUSES TO PERMIT THE OFFICER OR ANY AGENT DESIGNATED
5 BY HIM TO EXAMINE HIS BOOKS, RECORDS, AND PAPERS, AND ANY PERSON
6 WHO KNOWINGLY MAKES ANY INCOMPLETE, FALSE OR FRAUDULENT RETURN,
7 OR ATTEMPTS TO DO ANYTHING WHATSOEVER TO AVOID THE FULL
8 DISCLOSURE OF THE AMOUNT OF HIS NET PROFITS OR EARNED INCOME IN
9 ORDER TO AVOID THE PAYMENT OF THE WHOLE OR ANY PART OF THE TAX
10 IMPOSED BY THE ORDINANCE OR RESOLUTION, SHALL, UPON CONVICTION
11 THEREOF BEFORE ANY JUSTICE OF THE PEACE, ALDERMAN OR MAGISTRATE,
12 OR COURT OF COMPETENT JURISDICTION IN THE COUNTY OR COUNTIES IN
13 WHICH THE POLITICAL SUBDIVISION IMPOSING THE TAX IS LOCATED, BE
14 SENTENCED TO PAY A FINE OF NOT MORE THAN FIVE HUNDRED DOLLARS
15 (\$500) FOR EACH OFFENSE, AND COSTS, AND, IN DEFAULT OF PAYMENT
16 OF SAID FINE AND COSTS TO BE IMPRISONED FOR A PERIOD NOT
17 EXCEEDING THIRTY DAYS.

18 (B) ANY PERSON WHO DIVULGES ANY INFORMATION WHICH IS
19 CONFIDENTIAL UNDER THE PROVISIONS OF THE ORDINANCE OR
20 RESOLUTION, SHALL, UPON CONVICTION THEREOF BEFORE ANY JUSTICE OF
21 THE PEACE, ALDERMAN OR MAGISTRATE, OR COURT OF COMPETENT
22 JURISDICTION, BE SENTENCED TO PAY A FINE OF NOT MORE THAN FIVE
23 HUNDRED DOLLARS (\$500) FOR EACH OFFENSE, AND COSTS, AND, IN
24 DEFAULT OF PAYMENT OF SAID FINES AND COSTS TO BE IMPRISONED FOR
25 A PERIOD NOT EXCEEDING THIRTY DAYS.

26 (C) THE PENALTIES IMPOSED UNDER THIS SECTION SHALL BE IN
27 ADDITION TO ANY OTHER PENALTY IMPOSED BY ANY OTHER SECTION OF
28 THE ORDINANCE OR RESOLUTION.

29 (D) THE FAILURE OF ANY PERSON TO RECEIVE OR PROCURE FORMS
30 REQUIRED FOR MAKING THE DECLARATION OR RETURNS REQUIRED BY THE

1 ORDINANCE OR RESOLUTION SHALL NOT EXCUSE HIM FROM MAKING SUCH
2 DECLARATION OR RETURN.]

3 SECTION 20. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
4 SECTION 316. (RESERVED).

5 SECTION 21. SECTION 14 OF THE ACT, AMENDED OCTOBER 26, 1972
6 (P.L.1043, NO.261), IS AMENDED TO READ:

7 SECTION [14] 317. PAYMENT OF TAX TO OTHER POLITICAL
8 SUBDIVISIONS OR STATES AS CREDIT OR DEDUCTION; WITHHOLDING
9 TAX.--PAYMENT OF ANY TAX TO ANY POLITICAL SUBDIVISION PURSUANT
10 TO AN ORDINANCE OR RESOLUTION PASSED OR ADOPTED PRIOR TO THE
11 EFFECTIVE DATE OF THIS [ACT] SECTION SHALL BE CREDITED TO AND
12 ALLOWED AS A DEDUCTION FROM THE LIABILITY OF TAXPAYERS FOR ANY
13 LIKE TAX RESPECTIVELY ON SALARIES, WAGES, COMMISSIONS, OTHER
14 COMPENSATION OR ON NET PROFITS OF BUSINESSES, PROFESSIONS OR
15 OTHER ACTIVITIES AND FOR ANY INCOME TAX IMPOSED BY ANY OTHER
16 POLITICAL SUBDIVISION OF THIS COMMONWEALTH UNDER THE AUTHORITY
17 OF THIS [ACT] CHAPTER.

18 PAYMENT OF ANY TAX ON SALARIES, WAGES, COMMISSIONS, OTHER
19 COMPENSATION OR ON NET PROFITS OF BUSINESS, PROFESSIONS OR OTHER
20 ACTIVITIES TO A POLITICAL SUBDIVISION BY RESIDENTS THEREOF
21 PURSUANT TO AN ORDINANCE OR RESOLUTION PASSED OR ADOPTED UNDER
22 THE AUTHORITY OF THIS [ACT] CHAPTER SHALL BE CREDITED TO AND
23 ALLOWED AS A DEDUCTION FROM THE LIABILITY OF SUCH PERSONS FOR
24 ANY OTHER LIKE TAX RESPECTIVELY ON SALARIES, WAGES, COMMISSIONS,
25 OTHER COMPENSATION OR ON NET PROFITS OF BUSINESSES, PROFESSIONS
26 OR OTHER ACTIVITIES IMPOSED BY ANY OTHER POLITICAL SUBDIVISION
27 OF THIS COMMONWEALTH UNDER THE AUTHORITY OF THIS [ACT] CHAPTER.

28 PAYMENT OF ANY TAX ON INCOME TO ANY POLITICAL SUBDIVISION BY
29 RESIDENTS THEREOF PURSUANT TO AN ORDINANCE OR RESOLUTION PASSED
30 OR ADOPTED UNDER THE AUTHORITY OF THIS [ACT] CHAPTER SHALL, TO

1 THE EXTENT THAT SUCH INCOME INCLUDES SALARIES, WAGES,
2 COMMISSIONS, OTHER COMPENSATION OR NET PROFITS OF BUSINESSES,
3 PROFESSIONS OR OTHER ACTIVITIES, BUT IN SUCH PROPORTION AS
4 HEREINAFTER SET FORTH, BE CREDITED TO AND ALLOWED AS A DEDUCTION
5 FROM THE LIABILITY OF SUCH PERSONS FOR ANY OTHER TAX ON
6 SALARIES, WAGES, COMMISSIONS, OTHER COMPENSATION OR ON NET
7 PROFITS OF BUSINESSES, PROFESSIONS, OR OTHER ACTIVITIES IMPOSED
8 BY ANY OTHER POLITICAL SUBDIVISION OF THIS COMMONWEALTH UNDER
9 THE AUTHORITY OF THIS [ACT] CHAPTER.

10 PAYMENT OF ANY TAX ON INCOME TO ANY STATE OR TO ANY POLITICAL
11 SUBDIVISION THEREOF BY RESIDENTS THEREOF, PURSUANT TO ANY STATE
12 OR LOCAL LAW, MAY, AT THE DISCRETION OF THE PENNSYLVANIA
13 POLITICAL SUBDIVISION IMPOSING SUCH TAX, TO THE EXTENT THAT SUCH
14 INCOME INCLUDES SALARIES, WAGES, COMMISSIONS, OR OTHER
15 COMPENSATION OR NET PROFITS OF BUSINESSES, PROFESSIONS OR OTHER
16 ACTIVITIES BUT IN SUCH PROPORTIONS AS HEREINAFTER SET FORTH, BE
17 CREDITED TO AND ALLOWED AS A DEDUCTION FROM THE LIABILITY OF
18 SUCH PERSON FOR ANY OTHER TAX ON SALARIES, WAGES, COMMISSIONS,
19 OTHER COMPENSATION OR NET PROFITS OF BUSINESSES, PROFESSIONS OR
20 OTHER ACTIVITIES IMPOSED BY ANY POLITICAL SUBDIVISION OF THIS
21 COMMONWEALTH UNDER THE AUTHORITY OF THIS [ACT] CHAPTER, IF
22 RESIDENTS OF THE POLITICAL SUBDIVISION IN PENNSYLVANIA RECEIVE
23 CREDITS AND DEDUCTIONS OF A SIMILAR KIND TO A LIKE DEGREE FROM
24 THE TAX ON INCOME IMPOSED BY THE OTHER STATE OR POLITICAL
25 SUBDIVISION THEREOF.

26 PAYMENT OF ANY TAX ON INCOME TO ANY STATE OTHER THAN
27 PENNSYLVANIA OR TO ANY POLITICAL SUBDIVISION LOCATED OUTSIDE THE
28 BOUNDARIES OF THIS COMMONWEALTH, BY RESIDENTS OF A POLITICAL
29 SUBDIVISION LOCATED IN PENNSYLVANIA SHALL, TO THE EXTENT THAT
30 SUCH INCOME INCLUDES SALARIES, WAGES, COMMISSIONS, OR OTHER

1 COMPENSATION OR NET PROFITS OF BUSINESSES, PROFESSIONS OR OTHER
2 ACTIVITIES BUT IN SUCH PROPORTIONS AS HEREINAFTER SET FORTH, BE
3 CREDITED TO AND ALLOWED AS A DEDUCTION FROM THE LIABILITY OF
4 SUCH PERSON FOR ANY OTHER TAX ON SALARIES, WAGES, COMMISSIONS,
5 OTHER COMPENSATION OR NET PROFITS OF BUSINESSES, PROFESSIONS OR
6 OTHER ACTIVITIES IMPOSED BY ANY POLITICAL SUBDIVISION OF THIS
7 COMMONWEALTH UNDER THE AUTHORITY OF THIS [ACT] CHAPTER.

8 WHERE A CREDIT OR A DEDUCTION IS ALLOWABLE IN ANY OF THE
9 SEVERAL CASES HEREINABOVE PROVIDED, IT SHALL BE ALLOWED IN
10 PROPORTION TO THE CONCURRENT PERIODS FOR WHICH TAXES ARE IMPOSED
11 BY THE OTHER STATE OR RESPECTIVE POLITICAL SUBDIVISIONS, BUT NOT
12 IN EXCESS OF THE AMOUNT PREVIOUSLY PAID FOR A CONCURRENT PERIOD.

13 NO CREDIT OR DEDUCTION SHALL BE ALLOWED AGAINST ANY TAX ON
14 EARNED INCOME IMPOSED UNDER AUTHORITY OF THIS [ACT] CHAPTER TO
15 THE EXTENT OF THE AMOUNT OF CREDIT OR DEDUCTION TAKEN FOR THE
16 SAME PERIOD BY THE TAXPAYER AGAINST ANY INCOME TAX IMPOSED BY
17 THE COMMONWEALTH OF PENNSYLVANIA UNDER SECTION 314 OF THE ACT OF
18 MARCH 4, 1971 (P.L.6) KNOWN AS THE "TAX REFORM CODE OF 1971," ON
19 ACCOUNT OF TAXES IMPOSED ON INCOME BY OTHER STATES OR BY THEIR
20 POLITICAL SUBDIVISIONS.

21 SECTION 22. SECTION 15 OF THE ACT, AMENDED JUNE 27, 1968
22 (P.L.271, NO.128), IS AMENDED TO READ:

23 SECTION [15] 318. PERSONAL PROPERTY.--ANY ASSESSMENT OF A
24 TAX ON PERSONAL PROPERTY OF A DECEDENT SHALL INCLUDE ALL
25 PROPERTY OWNED, HELD OR POSSESSED BY A DECEDENT, WHICH SHOULD
26 HAVE BEEN RETURNED BY HIM FOR TAXATION FOR ANY FORMER YEAR OR
27 YEARS NOT EXCEEDING FIVE YEARS PRIOR TO THE YEAR IN WHICH THE
28 DECEDENT DIED. WHEREVER ANY PERSONAL PROPERTY TAXABLE UNDER THE
29 PROVISIONS OF THIS [ACT] CHAPTER, WAS OWNED BY A DECEDENT AT THE
30 TIME OF HIS DEATH AND IS HELD BY HIS EXECUTOR OR ADMINISTRATOR,

1 RETURN OF SUCH PERSONAL PROPERTY SHALL BE MADE AND THE TAX PAID,
2 IF SUCH DECEDENT WAS DOMICILED AT THE TIME OF HIS DEATH IN THE
3 POLITICAL SUBDIVISION IMPOSING THE TAX, NOTWITHSTANDING THE
4 RESIDENCE OR LOCATION OF SUCH EXECUTOR OR ADMINISTRATOR OR OF
5 ANY BENEFICIARY, OR THE PLACE WHICH SUCH SECURITIES ARE KEPT.

6 SECTION 23. SECTIONS 16 AND 17 OF THE ACT ARE AMENDED TO
7 READ:

8 SECTION [16] 319. LIMITATION ON ASSESSMENT.--NO ASSESSMENT
9 MAY BE MADE OF ANY TAX IMPOSED UNDER THIS [ACT] CHAPTER MORE
10 THAN FIVE YEARS AFTER THE DATE ON WHICH SUCH TAX SHOULD HAVE
11 BEEN PAID EXCEPT WHERE A FRAUDULENT RETURN OR NO RETURN HAS BEEN
12 FILED.

13 SECTION [17] 320. TAX LIMITATIONS.--(A) OVER-ALL LIMIT OF
14 TAX REVENUES.--THE AGGREGATE AMOUNT OF ALL TAXES IMPOSED BY ANY
15 POLITICAL SUBDIVISION UNDER THIS SECTION AND IN EFFECT DURING
16 ANY FISCAL YEAR SHALL NOT EXCEED AN AMOUNT EQUAL TO THE PRODUCT
17 OBTAINED BY MULTIPLYING THE LATEST TOTAL MARKET VALUATION OF
18 REAL ESTATE IN SUCH POLITICAL SUBDIVISION, AS DETERMINED BY THE
19 BOARD FOR THE ASSESSMENT AND REVISION OF TAXES OR ANY SIMILAR
20 BOARD ESTABLISHED BY THE ASSESSMENT LAWS WHICH DETERMINES MARKET
21 VALUES OF REAL ESTATE WITHIN THE POLITICAL SUBDIVISION, BY
22 TWELVE MILLS. IN SCHOOL DISTRICTS OF THE SECOND CLASS, THIRD
23 CLASS AND FOURTH CLASS AND IN ANY POLITICAL SUBDIVISION WITHIN A
24 COUNTY WHERE NO MARKET VALUES OF REAL ESTATE HAVE BEEN
25 DETERMINED BY THE BOARD FOR THE ASSESSMENT AND REVISION OF
26 TAXES, OR ANY SIMILAR BOARD, THE AGGREGATE AMOUNT OF ALL TAXES
27 IMPOSED UNDER THIS SECTION AND IN EFFECT DURING ANY FISCAL YEAR
28 SHALL NOT EXCEED AN AMOUNT EQUAL TO THE PRODUCT OBTAINED BY
29 MULTIPLYING THE LATEST TOTAL MARKET VALUATION OF REAL ESTATE IN
30 SUCH SCHOOL DISTRICT, OR OTHER POLITICAL SUBDIVISION, AS

1 CERTIFIED BY THE STATE TAX EQUALIZATION BOARD, BY TWELVE MILLS.
2 IN SCHOOL DISTRICTS OF THE THIRD AND FOURTH CLASS, TAXES IMPOSED
3 ON SALES INVOLVING THE TRANSFER OF REAL PROPERTY SHALL NOT BE
4 INCLUDED IN COMPUTING THE AGGREGATE AMOUNT OF TAXES FOR ANY
5 FISCAL YEAR IN WHICH ONE HUNDRED OR MORE NEW HOMES OR OTHER
6 MAJOR IMPROVEMENTS ON REAL ESTATE WERE CONSTRUCTED IN THE SCHOOL
7 DISTRICT.

8 THE AGGREGATE AMOUNT OF ALL TAXES IMPOSED BY ANY INDEPENDENT
9 SCHOOL DISTRICT UNDER THIS SECTION DURING ANY FISCAL YEAR SHALL
10 NOT EXCEED AN AMOUNT EQUAL TO THE PRODUCT OBTAINED BY
11 MULTIPLYING THE LATEST TOTAL VALUATION OF REAL ESTATE IN SUCH
12 DISTRICT BY FIFTEEN MILLS.

13 (B) REDUCTION OF RATES WHERE TAXES EXCEED LIMITATIONS; USE
14 OF EXCESS MONEYS.--IF, DURING ANY FISCAL YEAR, IT SHALL APPEAR
15 THAT THE AGGREGATE REVENUES FROM TAXES LEVIED AND COLLECTED
16 UNDER THE AUTHORITY OF THIS [ACT] CHAPTER WILL MATERIALLY EXCEED
17 THE LIMITATIONS IMPOSED BY THIS [ACT] CHAPTER, THE POLITICAL
18 SUBDIVISION SHALL FORTHWITH REDUCE THE RATE OR RATES OF SUCH TAX
19 OR TAXES TO STAY WITHIN SUCH LIMITATIONS AS NEARLY AS MAY BE.
20 ANY ONE OR MORE PERSONS LIABLE FOR THE PAYMENT OF TAXES LEVIED
21 AND COLLECTED UNDER THE AUTHORITY OF THIS [ACT] CHAPTER SHALL
22 HAVE THE RIGHT TO COMPLAIN TO THE COURT OF COMMON PLEAS OF THE
23 COUNTY IN AN ACTION OF MANDAMUS TO COMPEL COMPLIANCE WITH THE
24 PRECEDING PROVISION OF THIS SUBSECTION. TAX MONEYS LEVIED AND
25 COLLECTED IN ANY FISCAL YEAR IN EXCESS OF THE LIMITATIONS
26 IMPOSED BY THIS [ACT] CHAPTER SHALL NOT BE EXPENDED DURING SUCH
27 YEAR, BUT SHALL BE DEPOSITED IN A SEPARATE ACCOUNT IN THE
28 TREASURY OF THE POLITICAL SUBDIVISION FOR EXPENDITURE IN THE
29 FOLLOWING FISCAL YEAR. THE RATES OF TAXES IMPOSED UNDER THIS
30 [ACT] CHAPTER FOR THE FOLLOWING FISCAL YEAR SHALL BE SO FIXED

1 THAT THE REVENUES THEREBY PRODUCED, TOGETHER WITH THE EXCESS TAX
2 MONEYS ON DEPOSIT AS AFORESAID, SHALL NOT EXCEED THE LIMITATIONS
3 IMPOSED BY THIS [ACT] CHAPTER.

4 SECTION 23.1. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

5 SECTION 329. LEGAL REPRESENTATION.--WHEN BRINGING A SUIT
6 UNDER ANY PROVISION OF THIS CHAPTER, THE TAXING DISTRICT OR THE
7 PERSON, PUBLIC EMPLOYE OR PRIVATE AGENCY DESIGNATED BY THE
8 TAXING DISTRICT SHALL BE REPRESENTED BY AN ATTORNEY.

9 SECTION 330. EMERGENCY AND MUNICIPAL SERVICES TAXES.--ANY
10 REFERENCE IN ANY ACT OR LAW TO AN OCCUPATIONAL PRIVILEGE TAX
11 SHALL MEAN THE EMERGENCY AND MUNICIPAL SERVICES TAXES AS
12 PROVIDED FOR IN THIS CHAPTER.

13 SECTION 331. RESTRICTED USE.--(A) ANY MUNICIPALITY DERIVING
14 FUNDS FROM THE EMERGENCY AND MUNICIPAL SERVICES TAXES MAY ONLY
15 USE THE FUNDS FOR:

16 (1) POLICE, FIRE AND/OR EMERGENCY SERVICES;

17 (2) ROAD CONSTRUCTION AND/OR MAINTENANCE; OR

18 (3) REDUCTION OF PROPERTY TAXES.

19 (B) FOR THE PURPOSE OF THE EMERGENCY AND MUNICIPAL SERVICES
20 TAXES, THE TERM MUNICIPALITY DOES NOT INCLUDE A SCHOOL DISTRICT.

21 SECTION 23.2. THE ACT IS AMENDED BY ADDING A CHAPTER TO
22 READ:

23 CHAPTER 5

24 CONSOLIDATED COLLECTION OF LOCAL INCOME TAXES

25 SECTION 501. DEFINITIONS.

26 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
27 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
28 CONTEXT CLEARLY INDICATES OTHERWISE:

29 "ARTICLE XIII TAX OFFICER." THE TAX OFFICER AUTHORIZED BY A
30 POLITICAL SUBDIVISION TO COLLECT INCOME TAXES LEVIED PRIOR TO

1 JANUARY 1, 2009.

2 "BUSINESS." AN ENTERPRISE, ACTIVITY, PROFESSION OR ANY OTHER
3 UNDERTAKING OF AN UNINCORPORATED NATURE CONDUCTED FOR PROFIT OR
4 ORDINARILY CONDUCTED FOR PROFIT WHETHER BY A PERSON,
5 PARTNERSHIP, ASSOCIATION OR ANY OTHER ENTITY.

6 "BUSINESS ENTITY." A SOLE PROPRIETORSHIP, CORPORATION,
7 JOINT-STOCK ASSOCIATION OR COMPANY, PARTNERSHIP, LIMITED
8 PARTNERSHIP, LIMITED LIABILITY COMPANY, ASSOCIATION, BUSINESS
9 TRUST, SYNDICATE OR OTHER COMMERCIAL OR PROFESSIONAL ACTIVITY
10 ORGANIZED UNDER THE LAWS OF THIS COMMONWEALTH OR ANY OTHER
11 JURISDICTION.

12 "CERTIFIED PUBLIC ACCOUNTANT" OR "PUBLIC ACCOUNTANT." A
13 CERTIFIED PUBLIC ACCOUNTANT, PUBLIC ACCOUNTANT OR FIRM, AS
14 PROVIDED FOR IN THE ACT OF MAY 26, 1947 (P.L.318, NO.140), KNOWN
15 AS THE CPA LAW.

16 "CLAIM." A WRITTEN DEMAND FOR PAYMENT MADE BY A TAX OFFICER
17 OR TAX COLLECTION DISTRICT FOR INCOME TAXES COLLECTED BY ANOTHER
18 TAX OFFICER OR TAX COLLECTION DISTRICT.

19 "CORPORATION." A CORPORATION OR JOINT STOCK ASSOCIATION
20 ORGANIZED UNDER THE LAWS OF THE UNITED STATES, THE COMMONWEALTH
21 OF PENNSYLVANIA OR ANY OTHER STATE, TERRITORY, FOREIGN COUNTRY
22 OR DEPENDENCY. THE TERM SHALL INCLUDE AN ENTITY WHICH IS
23 CLASSIFIED AS A CORPORATION FOR FEDERAL INCOME TAX PURPOSES.

24 "CURRENT YEAR." THE CALENDAR YEAR FOR WHICH THE TAX IS
25 LEVIED.

26 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
27 DEVELOPMENT OF THE COMMONWEALTH.

28 "DOMICILE." THE PLACE WHERE A PERSON LIVES AND HAS A
29 PERMANENT HOME AND TO WHICH THE PERSON HAS THE INTENTION OF
30 RETURNING WHENEVER ABSENT. ACTUAL RESIDENCE IS NOT NECESSARILY

1 DOMICILE, FOR DOMICILE IS THE FIXED PLACE OF ABODE WHICH, IN THE
2 INTENTION OF THE TAXPAYER, IS PERMANENT RATHER THAN TRANSITORY.
3 DOMICILE IS THE VOLUNTARILY FIXED PLACE OF HABITATION OF A
4 PERSON, NOT FOR A MERE SPECIAL OR LIMITED PURPOSE, BUT WITH THE
5 PRESENT INTENTION OF MAKING A PERMANENT HOME, UNTIL SOME EVENT
6 OCCURS TO INDUCE THE PERSON TO ADOPT SOME OTHER PERMANENT HOME.
7 IN THE CASE OF A BUSINESS, DOMICILE IS THAT PLACE CONSIDERED AS
8 THE CENTER OF BUSINESS AFFAIRS AND THE PLACE WHERE ITS FUNCTIONS
9 ARE DISCHARGED.

10 "EARNED INCOME." THE COMPENSATION AS REPORTED TO OR
11 DETERMINED BY THE DEPARTMENT OF REVENUE UNDER SECTION 303 OF THE
12 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE
13 OF 1971, AND RULES AND REGULATIONS PROMULGATED UNDER SECTION
14 303. EMPLOYEE BUSINESS EXPENSES AS REPORTED TO OR DETERMINED BY
15 THE DEPARTMENT OF REVENUE UNDER ARTICLE III OF THE TAX REFORM
16 CODE OF 1971 SHALL CONSTITUTE ALLOWABLE DEDUCTIONS IN
17 DETERMINING EARNED INCOME. THE TERM DOES NOT INCLUDE OFFSETS FOR
18 BUSINESS LOSSES.

19 "EARNED INCOME AND NET PROFITS TAX." THE TAX LEVIED BY A
20 POLITICAL SUBDIVISION ON EARNED INCOME AND NET PROFITS.

21 "EFFECTIVE EMERGENCY AND MUNICIPAL SERVICES TAX RATE." THE
22 ACTUAL EMERGENCY AND MUNICIPAL SERVICES TAX RATE LEVIED BY A
23 POLITICAL SUBDIVISION ON TAXPAYERS BASED ON THE TOTAL OF ALL
24 EMERGENCY AND MUNICIPAL SERVICES TAXES IMPOSED UNDER THIS ACT
25 AND ALL OTHER ACTS, ADJUSTED UNDER SECTION 311.

26 "EFFECTIVE INCOME TAX RATE." THE ACTUAL TAX RATE LEVIED BY A
27 POLITICAL SUBDIVISION ON A TAXPAYER BASED ON THE TOTAL OF ALL
28 INCOME TAXES IMPOSED UNDER THIS ACT AND ALL OTHER ACTS, ADJUSTED
29 UNDER SECTION 311.

30 "EMERGENCY AND MUNICIPAL SERVICES TAX." A TAX ON INDIVIDUALS

1 FOR THE PRIVILEGE OF ENGAGING IN AN OCCUPATION THAT IS LEVIED,
2 ASSESSED AND COLLECTED ONLY BY THE POLITICAL SUBDIVISION OF THE
3 TAXPAYER'S PLACE OF EMPLOYMENT UNDER THE AUTHORITY OF THIS ACT
4 OR ANY OTHER ACT.

5 "EMPLOYER." A PERSON, BUSINESS ENTITY OR OTHER ENTITY,
6 INCLUDING THE COMMONWEALTH, ITS POLITICAL SUBDIVISIONS AND
7 INSTRUMENTALITIES AND PUBLIC AUTHORITIES, EMPLOYING ONE OR MORE
8 PERSONS FOR A SALARY, WAGE, COMMISSION OR OTHER COMPENSATION.
9 THE TERM INCLUDES THE COMMONWEALTH, A POLITICAL SUBDIVISION AND
10 AN INSTRUMENTALITY OR PUBLIC AUTHORITY OF EITHER.

11 "INCOME TAX." EXCEPT AS SET FORTH IN SECTION 511(B), AN
12 EARNED INCOME AND NET PROFITS TAX, PERSONAL INCOME TAX OR OTHER
13 TAX THAT IS ASSESSED ON THE INCOME OF A TAXPAYER LEVIED BY A
14 POLITICAL SUBDIVISION UNDER THE AUTHORITY OF THIS ACT OR ANY
15 OTHER ACT.

16 "JOINT TAX COLLECTION COMMITTEE." AN ENTITY FORMED BY TWO OR
17 MORE TAX COLLECTION COMMITTEES FOR THE PURPOSE OF INCOME TAX
18 COLLECTION IN MORE THAN ONE TAX COLLECTION DISTRICT.

19 "MUNICIPALITY." A CITY OF THE SECOND CLASS, CITY OF THE
20 SECOND CLASS A, CITY OF THE THIRD CLASS, BOROUGH, TOWN, TOWNSHIP
21 OF THE FIRST CLASS OR TOWNSHIP OF THE SECOND CLASS.

22 "NET PROFITS." THE NET INCOME FROM THE OPERATION OF A
23 BUSINESS, OTHER THAN A CORPORATION, AS REPORTED TO OR DETERMINED
24 BY THE DEPARTMENT OF REVENUE UNDER SECTION 303 OF THE ACT OF
25 MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF
26 1971, AND RULES AND REGULATIONS PROMULGATED UNDER SECTION 303.
27 FOR PURPOSES OF DETERMINING NET PROFITS, BUSINESS LOSSES FROM
28 ONE BUSINESS MAY BE OFFSET AGAINST PROFITS FROM ANOTHER
29 BUSINESS. THE TERM DOES NOT INCLUDE INCOME WHICH:

30 (1) IS NOT PAID FOR SERVICES PROVIDED; AND

1 (2) IS IN THE NATURE OF EARNINGS FROM AN INVESTMENT.

2 "NONRESIDENT." A PERSON OR BUSINESS DOMICILED OUTSIDE THE
3 POLITICAL SUBDIVISION.

4 "OFFICIAL REGISTER." THE PART OF THE TAX REGISTER THAT
5 INCLUDES WITHHOLDING TAX RATES AS PROVIDED IN SECTION 511(A)(3).

6 "PERSON." A NATURAL PERSON.

7 "POLITICAL SUBDIVISION." A CITY OF THE SECOND CLASS, CITY OF
8 THE SECOND CLASS A, CITY OF THE THIRD CLASS, BOROUGH, TOWN,
9 TOWNSHIP OF THE FIRST CLASS, TOWNSHIP OF THE SECOND CLASS,
10 SCHOOL DISTRICT OF THE FIRST CLASS A, SCHOOL DISTRICT OF THE
11 SECOND CLASS, SCHOOL DISTRICT OF THE THIRD CLASS OR SCHOOL
12 DISTRICT OF THE FOURTH CLASS.

13 "PRECEDING YEAR." THE CALENDAR YEAR BEFORE THE CURRENT YEAR.

14 "PRIVATE AGENCY." ANY PERSON OR BUSINESS ENTITY APPOINTED AS
15 A TAX OFFICER BY A TAX COLLECTION COMMITTEE.

16 "RESIDENT." A PERSON OR BUSINESS ENTITY DOMICILED IN A
17 POLITICAL SUBDIVISION.

18 "SUCCEEDING YEAR." THE CALENDAR YEAR FOLLOWING THE CURRENT
19 YEAR.

20 "TAXABLE INCOME." INCLUDES:

21 (1) IN THE CASE OF AN EARNED INCOME AND NET PROFITS TAX,
22 EARNED INCOME AND NET PROFITS.

23 (2) IN THE CASE OF A PERSONAL INCOME TAX, INCOME
24 ENUMERATED IN SECTION 303 OF THE ACT OF MARCH 4, 1971 (P.L.6,
25 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, AS REPORTED TO
26 AND DETERMINED BY THE DEPARTMENT OF REVENUE, SUBJECT TO
27 CORRECTION FOR FRAUD, EVASION OR ERROR, AS FINALLY DETERMINED
28 BY THE COMMONWEALTH.

29 "TAX BUREAU." A NONPROFIT ENTITY ESTABLISHED FOR THE
30 ADMINISTRATION AND COLLECTION OF TAXES.

1 "TAX COLLECTION COMMITTEE." THE COMMITTEE ESTABLISHED BY
2 EACH TAX COLLECTION DISTRICT FOR THE PURPOSE OF INCOME TAX
3 COLLECTION. THE TERM SHALL INCLUDE A JOINT TAX COLLECTION
4 COMMITTEE.

5 "TAX COLLECTION DISTRICT." A TAX COLLECTION DISTRICT CREATED
6 UNDER SECTION 504.

7 "TAX OFFICER." THE TAX BUREAU, POLITICAL SUBDIVISION OR
8 PRIVATE AGENCY WHICH ADMINISTERS AND COLLECTS INCOME TAXES FOR
9 ONE OR MORE TAX COLLECTION DISTRICTS.

10 "TAX RECORDS." TAX RETURNS, SUPPORTING SCHEDULES,
11 CORRESPONDENCE WITH AUDITORS OR TAXPAYERS, ACCOUNT BOOKS AND
12 OTHER DOCUMENTS, INCLUDING ELECTRONIC RECORDS, OBTAINED OR
13 CREATED BY THE TAX OFFICER TO ADMINISTER OR COLLECT A TAX UNDER
14 THIS ACT. THE TERM INCLUDES DOCUMENTS REQUIRED BY SECTION
15 509(E). THE TERM "ELECTRONIC RECORDS" INCLUDES DATA AND
16 INFORMATION INSCRIBED ON A TANGIBLE MEDIUM OR STORED IN AN
17 ELECTRONIC OR OTHER MEDIUM AND WHICH IS RETRIEVABLE IN
18 PERCEIVABLE FORM.

19 "TAX REGISTER." A DATABASE OF ALL COUNTY, MUNICIPAL AND
20 SCHOOL TAX RATES AVAILABLE ON THE INTERNET AS PROVIDED IN
21 SECTION 511(A)(1).

22 "TAXPAYER." A PERSON OR BUSINESS REQUIRED UNDER THIS ACT TO
23 FILE A RETURN OF AN INCOME TAX OR TO PAY AN INCOME TAX.

24 "WITHHOLDING TAX." AN INCOME TAX OR AN EMERGENCY AND
25 MUNICIPAL SERVICES TAX LEVIED BY A POLITICAL SUBDIVISION UNDER
26 THE AUTHORITY OF THIS ACT OR ANY OTHER ACT, OR ANY OTHER TAX
27 LEVIED BY A MUNICIPALITY OR SCHOOL DISTRICT FOR WHICH EMPLOYER
28 WITHHOLDING MAY BE REQUIRED UNDER THIS ACT OR ANY OTHER ACT.
29 SECTION 502. DECLARATION AND PAYMENT OF INCOME TAXES.

30 (A) APPLICATION.--

1 (1) INCOME TAXES SHALL BE APPLICABLE TO TAXABLE INCOME
2 EARNED OR RECEIVED BASED ON THE METHOD OF ACCOUNTING USED BY
3 THE TAXPAYER IN THE PERIOD BEGINNING JANUARY 1 OF THE CURRENT
4 YEAR AND ENDING DECEMBER 31 OF THE CURRENT YEAR; EXCEPT THAT
5 TAXES IMPOSED FOR THE FIRST TIME AND CHANGES TO EXISTING TAX
6 RATES SHALL BECOME EFFECTIVE ON JANUARY 1 OR JULY 1, AS
7 SPECIFIED IN THE ORDINANCE OR RESOLUTION, AND THE TAX SHALL
8 CONTINUE IN FORCE ON A CALENDAR YEAR OR TAXPAYER FISCAL YEAR
9 BASIS, WITHOUT ANNUAL REENACTMENT, UNLESS THE RATE OF THE TAX
10 IS SUBSEQUENTLY CHANGED.

11 (2) FOR A TAXPAYER WHOSE FISCAL YEAR IS NOT A CALENDAR
12 YEAR, THE TAX OFFICER SHALL ESTABLISH DEADLINES FOR FILING,
13 REPORTING AND PAYMENT OF TAXES WHICH PROVIDE TIME PERIODS
14 EQUIVALENT TO THOSE PROVIDED FOR A CALENDAR YEAR TAXPAYER.

15 (B) PARTIAL DOMICILE.--THE TAXABLE INCOME SUBJECT TO TAX OF
16 A TAXPAYER WHO IS DOMICILED IN A POLITICAL SUBDIVISION FOR ONLY
17 A PORTION OF THE TAX YEAR SHALL BE AN AMOUNT EQUAL TO THE
18 TAXPAYER'S TAXABLE INCOME MULTIPLIED BY A FRACTION, THE
19 NUMERATOR OF WHICH IS THE NUMBER OF CALENDAR MONTHS DURING THE
20 TAX YEAR THAT THE INDIVIDUAL IS DOMICILED IN THE POLITICAL
21 SUBDIVISION, AND THE DENOMINATOR OF WHICH IS 12. A TAXPAYER
22 SHALL INCLUDE IN THE NUMERATOR ANY CALENDAR MONTH DURING WHICH
23 THE TAXPAYER IS DOMICILED FOR MORE THAN HALF THE CALENDAR MONTH.
24 A DAY THAT A TAXPAYER'S DOMICILE CHANGES SHALL BE INCLUDED AS A
25 DAY THE INDIVIDUAL IS IN THE NEW DOMICILE AND NOT THE OLD
26 DOMICILE. IF THE NUMBER OF DAYS IN THE CALENDAR MONTH IN WHICH
27 THE INDIVIDUAL LIVED IN THE OLD AND NEW DOMICILES ARE EQUAL, THE
28 CALENDAR MONTH SHALL BE INCLUDED IN CALCULATING THE NUMBER OF
29 MONTHS IN THE NEW DOMICILE.

30 (C) DECLARATION AND PAYMENT.--EXCEPT AS PROVIDED IN

SUBSECTION (A)(2), TAXPAYERS SHALL DECLARE AND PAY INCOME TAXES
AS FOLLOWS:

(1) EVERY TAXPAYER SHALL, ON OR BEFORE APRIL 15 OF THE
SUCCEEDING YEAR, MAKE AND FILE WITH THE TAX OFFICER, A FINAL
RETURN SHOWING THE AMOUNT OF TAXABLE INCOME RECEIVED DURING
THE PERIOD BEGINNING JANUARY 1 OF THE CURRENT YEAR AND ENDING
DECEMBER 31 OF THE CURRENT YEAR, THE TOTAL AMOUNT OF TAX DUE
ON THE TAXABLE INCOME, THE AMOUNT OF TAX PAID, THE AMOUNT OF
TAX THAT HAS BEEN WITHHELD UNDER SECTION 512 AND THE BALANCE
OF TAX DUE. ALL AMOUNTS REPORTED SHALL BE ROUNDED TO THE
NEAREST WHOLE DOLLAR. AT THE TIME OF FILING THE FINAL RETURN,
THE TAXPAYER SHALL PAY THE BALANCE OF THE TAX DUE OR SHALL
MAKE DEMAND FOR REFUND OR CREDIT IN THE CASE OF OVERPAYMENT.

(2) EVERY TAXPAYER MAKING NET PROFITS SHALL, BY APRIL 15
OF THE CURRENT YEAR, MAKE AND FILE WITH THE TAX OFFICER A
DECLARATION OF THE TAXPAYER'S ESTIMATED NET PROFITS DURING
THE PERIOD BEGINNING JANUARY 1 AND ENDING DECEMBER 31 OF THE
CURRENT YEAR, AND SHALL PAY TO THE TAX OFFICER IN FOUR EQUAL
QUARTERLY INSTALLMENTS THE TAX DUE ON THE ESTIMATED NET
PROFITS. THE FIRST INSTALLMENT SHALL BE PAID AT THE TIME OF
FILING THE DECLARATION, AND THE OTHER INSTALLMENTS SHALL BE
PAID ON OR BEFORE JUNE 15 OF THE CURRENT YEAR, SEPTEMBER 15
OF THE CURRENT YEAR AND JANUARY 15 OF THE SUCCEEDING YEAR,
RESPECTIVELY.

(I) ANY TAXPAYER WHO FIRST ANTICIPATES ANY NET
PROFIT AFTER APRIL 15 OF THE CURRENT YEAR, SHALL MAKE AND
FILE THE DECLARATION REQUIRED ON OR BEFORE JUNE 15 OF THE
CURRENT YEAR, SEPTEMBER 15 OF THE CURRENT YEAR OR
DECEMBER 31 OF THE CURRENT YEAR, WHICHEVER DATE NEXT
FOLLOWS THE DATE ON WHICH THE TAXPAYER FIRST ANTICIPATES

1 SUCH NET PROFIT, AND SHALL PAY TO THE TAX OFFICER IN
2 EQUAL INSTALLMENTS THE TAX DUE ON OR BEFORE THE QUARTERLY
3 PAYMENT DATES THAT REMAIN AFTER THE FILING OF THE
4 DECLARATION.

5 (II) EVERY TAXPAYER SHALL, ON OR BEFORE APRIL 15 OF
6 THE SUCCEEDING YEAR, MAKE AND FILE WITH THE TAX OFFICER A
7 FINAL RETURN SHOWING THE AMOUNT OF NET PROFITS EARNED OR
8 RECEIVED BASED ON THE METHOD OF ACCOUNTING USED BY THE
9 TAXPAYER DURING THE PERIOD BEGINNING JANUARY 1 OF THE
10 CURRENT YEAR, AND ENDING DECEMBER 31 OF THE CURRENT YEAR,
11 THE TOTAL AMOUNT OF TAX DUE ON THE NET PROFITS AND THE
12 TOTAL AMOUNT OF TAX PAID. AT THE TIME OF FILING THE FINAL
13 RETURN, THE TAXPAYER SHALL PAY TO THE TAX OFFICER THE
14 BALANCE OF TAX DUE OR SHALL MAKE DEMAND FOR REFUND OR
15 CREDIT IN THE CASE OF OVERPAYMENT. ANY TAXPAYER MAY, IN
16 LIEU OF PAYING THE FOURTH QUARTERLY INSTALLMENT OF THE
17 ESTIMATED TAX, ELECT TO MAKE AND FILE WITH THE TAX
18 OFFICER ON OR BEFORE JANUARY 31 OF THE SUCCEEDING YEAR,
19 THE FINAL RETURN.

20 (III) THE DEPARTMENT SHALL PROVIDE BY REGULATION FOR
21 THE FILING OF ADJUSTED DECLARATIONS OF ESTIMATED NET
22 PROFITS AND FOR THE PAYMENTS OF THE ESTIMATED TAX IN
23 CASES WHERE A TAXPAYER WHO HAS FILED THE DECLARATION
24 REQUIRED UNDER THIS SUBSECTION ANTICIPATES ADDITIONAL NET
25 PROFITS NOT PREVIOUSLY DECLARED OR HAS OVERESTIMATED
26 ANTICIPATED NET PROFITS.

27 (IV) EVERY TAXPAYER WHO DISCONTINUES BUSINESS PRIOR
28 TO DECEMBER 31 OF THE CURRENT YEAR, SHALL, WITHIN 30 DAYS
29 AFTER THE DISCONTINUANCE OF BUSINESS, FILE A FINAL RETURN
30 AS REQUIRED UNDER THIS PARAGRAPH AND PAY THE TAX DUE.

(3) EVERY TAXPAYER WHO RECEIVES ANY OTHER TAXABLE INCOME NOT SUBJECT TO WITHHOLDING UNDER SECTION 512(3) SHALL MAKE AND FILE WITH THE TAX OFFICER A QUARTERLY RETURN ON OR BEFORE APRIL 15 OF THE CURRENT YEAR, JUNE 15 OF THE CURRENT YEAR, SEPTEMBER 15 OF THE CURRENT YEAR, AND JANUARY 15 OF THE SUCCEEDING YEAR, SETTING FORTH THE AGGREGATE AMOUNT OF TAXABLE INCOME NOT SUBJECT TO WITHHOLDING BY THE TAXPAYER DURING THE THREE-MONTH PERIODS ENDING MARCH 31 OF THE CURRENT YEAR, JUNE 30 OF THE CURRENT YEAR, SEPTEMBER 30 OF THE CURRENT YEAR, AND DECEMBER 31 OF THE CURRENT YEAR, RESPECTIVELY, AND SUBJECT TO THE TAX, TOGETHER WITH SUCH OTHER INFORMATION AS THE DEPARTMENT MAY REQUIRE. EVERY TAXPAYER FILING A RETURN SHALL, AT THE TIME OF FILING THE RETURN, PAY TO THE TAX OFFICER THE AMOUNT OF TAX DUE. THE DEPARTMENT SHALL ESTABLISH CRITERIA UNDER WHICH THE TAX OFFICER MAY WAIVE THE QUARTERLY RETURN AND PAYMENT OF THE TAX AND PERMIT A TAXPAYER TO FILE THE RECEIPT OF TAXABLE INCOME ON THE TAXPAYER'S ANNUAL RETURN AND PAY THE TAX DUE ON OR BEFORE APRIL 15 OF THE SUCCEEDING YEAR.

SECTION 503. (RESERVED).

SECTION 504. TAX COLLECTION DISTRICTS.

A TAX COLLECTION DISTRICT SHALL BE CREATED IN EACH COUNTY, EXCEPT A COUNTY OF THE FIRST CLASS, FOR PURPOSES OF COLLECTING INCOME TAXES. THE GEOGRAPHIC BOUNDARIES OF A TAX COLLECTION DISTRICT SHALL BE COTERMINOUS WITH THE COUNTY IN WHICH IT IS CREATED, EXCEPT AS PROVIDED IN THIS SECTION. A SCHOOL DISTRICT LOCATED IN MORE THAN ONE COUNTY SHALL BE INCLUDED IN THE TAX COLLECTION DISTRICT WITH THE GREATEST SHARE OF THE SCHOOL DISTRICT'S POPULATION BASED ON THE MOST RECENTLY AVAILABLE DATA FROM THE FEDERAL DECENNIAL CENSUS AS OF THE EFFECTIVE DATE OF

1 THIS SECTION. A MUNICIPALITY SHALL BE INCLUDED IN THE TAX
2 COLLECTION DISTRICT IN WHICH ITS SCHOOL DISTRICT IS LOCATED. IF
3 A MUNICIPALITY IS LOCATED IN MORE THAN ONE SCHOOL DISTRICT, EACH
4 OF WHICH IS IN A DIFFERENT TAX COLLECTION DISTRICT, THE PORTION
5 OF THE MUNICIPALITY IN EACH SCHOOL DISTRICT SHALL BE INCLUDED IN
6 THE TAX COLLECTION DISTRICT FOR THAT SCHOOL DISTRICT. THE
7 DEPARTMENT SHALL MAINTAIN A LIST OF ALL TAX COLLECTION DISTRICTS
8 AND THE POLITICAL SUBDIVISIONS IN EACH TAX COLLECTION DISTRICT.
9 BY JANUARY 3, 2007, THE LIST SHALL BE TRANSMITTED TO THE
10 LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA
11 BULLETIN; AND BY JANUARY 15, 2007, THE LIST SHALL BE MADE
12 AVAILABLE ON THE DEPARTMENT'S INTERNET WEBSITE.

13 SECTION 505. TAX COLLECTION COMMITTEES.

14 (A) POWERS AND DUTIES.--A TAX COLLECTION COMMITTEE SHALL BE
15 CREATED IN EACH TAX COLLECTION DISTRICT AS SET FORTH IN THIS
16 SECTION. EACH TAX COLLECTION COMMITTEE SHALL HAVE THE FOLLOWING
17 POWERS AND DUTIES:

18 (1) TO ADOPT, AMEND AND REPEAL RESOLUTIONS TO CARRY OUT
19 ITS POWERS AND DUTIES UNDER THIS SECTION.

20 (2) TO KEEP RECORDS OF ALL VOTES AND OTHER ACTIONS TAKEN
21 BY THE TAX COLLECTION COMMITTEE.

22 (3) TO APPOINT AND OVERSEE A TAX OFFICER FOR THE TAX
23 COLLECTION DISTRICT AS PROVIDED IN SECTION 507(A).

24 (4) TO SET THE COMPENSATION OF THE TAX OFFICER UNDER
25 SECTION 507(C).

26 (5) TO CREATE A TAX BUREAU AND TO PROVIDE FOR ITS
27 OPERATION AND ADMINISTRATION. THE DEPARTMENT SHALL, UPON
28 REQUEST OF A TAX COLLECTION COMMITTEE, PROVIDE TECHNICAL
29 ASSISTANCE TO THE TAX COLLECTION COMMITTEE IN THE CREATION OF
30 A TAX BUREAU.

1 (6) TO REQUIRE, HOLD, SET AND REVIEW THE TAX OFFICER'S
2 BOND REQUIRED BY SECTION 509(D).

3 (7) TO ESTABLISH THE MANNER AND EXTENT OF FINANCING OF
4 THE TAX COLLECTION COMMITTEE.

5 (8) TO ENTER INTO CONTRACTS AS NECESSARY.

6 (9) TO APPOINT A DIRECTOR FOR THE TAX COLLECTION
7 COMMITTEE AND OTHER EMPLOYEES AS NECESSARY AND TO FIX THEIR
8 COMPENSATION.

9 (10) TO RETAIN COUNSEL AND AUDITORS TO RENDER
10 PROFESSIONAL SERVICES AS NECESSARY.

11 (11) TO SUE AND BE SUED, AND COMPLAIN AND DEFEND IN ALL
12 COURTS.

13 (12) TO ACQUIRE, LEASE, RENT OR DISPOSE OF REAL OR
14 PERSONAL PROPERTY.

15 (13) TO ADOPT, AMEND AND REPEAL BYLAWS FOR THE
16 MANAGEMENT OF ITS AFFAIRS CONSISTENT WITH SUBSECTION (F) AND
17 REGULATIONS UNDER SECTION 508.

18 (14) TO ADOPT, AMEND AND REPEAL POLICIES AND PROCEDURES
19 CONSISTENT WITH THE REGULATIONS UNDER SECTION 508 FOR THE
20 ADMINISTRATION OF INCOME TAXES WITHIN THE TAX COLLECTION
21 DISTRICT. THE PROCEDURES SHALL SUPERSEDE ANY CONTRARY
22 RESOLUTIONS OR ORDINANCES ADOPTED BY A POLITICAL SUBDIVISION.
23 THIS AUTHORITY SHALL NOT BE CONSTRUED TO PERMIT A TAX
24 COLLECTION COMMITTEE TO CHANGE THE RATE OR SUBJECT OF ANY
25 TAX.

26 (15) TO ENTER INTO AGREEMENTS WITH ONE OR MORE OTHER TAX
27 COLLECTION COMMITTEES TO FORM A JOINT TAX COLLECTION
28 COMMITTEE. A JOINT TAX COLLECTION COMMITTEE SHALL HAVE THE
29 POWERS AND DUTIES ENUMERATED IN PARAGRAPHS (1) THROUGH (14)
30 WITH RESPECT TO ALL TAX COLLECTION DISTRICTS FROM WHICH THE

1 JOINT TAX COLLECTION COMMITTEE IS FORMED.

2 (B) DELEGATES.--

3 (1) THE GOVERNING BODY OF EACH POLITICAL SUBDIVISION
4 WITHIN A TAX COLLECTION DISTRICT THAT IMPOSED AN INCOME TAX
5 PRIOR TO JANUARY 1, 2007, SHALL APPOINT ONE VOTING DELEGATE
6 AND ONE ALTERNATE TO REPRESENT THE POLITICAL SUBDIVISION ON
7 THE TAX COLLECTION COMMITTEE BY APRIL 1, 2007. THE GOVERNING
8 BODY OF EACH POLITICAL SUBDIVISION THAT, AFTER DECEMBER 31,
9 2006, IMPOSES AN INCOME TAX FOR THE FIRST TIME SHALL APPOINT
10 ONE DELEGATE AND ONE ALTERNATE TO REPRESENT THE POLITICAL
11 SUBDIVISION ON THE TAX COLLECTION COMMITTEE. EACH DELEGATE
12 AND ALTERNATE MUST BE A RESIDENT OF THE POLITICAL SUBDIVISION
13 REPRESENTED. A DELEGATE OR ALTERNATE SHALL SERVE AT THE
14 PLEASURE OF THE GOVERNING BODY OF THE POLITICAL SUBDIVISION.

15 (2) THE GOVERNING BODY OF EACH POLITICAL SUBDIVISION
16 WITHIN A TAX COLLECTION DISTRICT THAT PRIOR TO JANUARY 1,
17 2007, DOES NOT IMPOSE AN INCOME TAX MAY APPOINT ONE NONVOTING
18 REPRESENTATIVE TO REPRESENT THE POLITICAL SUBDIVISION ON THE
19 TAX COLLECTION COMMITTEE. THE APPOINTMENT MUST BE MADE BY
20 APRIL 1, 2007. IF, AFTER DECEMBER 31, 2006, A POLITICAL
21 SUBDIVISION IMPOSES AN INCOME TAX, THE NONVOTING
22 REPRESENTATIVE SHALL BECOME A VOTING DELEGATE TO REPRESENT
23 THE POLITICAL SUBDIVISION ON THE TAX COLLECTION COMMITTEE.

24 (B.1) QUORUM.--UNLESS OTHERWISE PROVIDED FOR IN THE BYLAWS
25 OF A TAX COLLECTION COMMITTEE, A MAJORITY OF THE DELEGATES OF A
26 TAX COLLECTION COMMITTEE APPOINTED UNDER SUBSECTION (B)(1)
27 CONSTITUTES A QUORUM. A QUORUM MUST BE PRESENT IN ORDER TO TAKE
28 OFFICIAL ACTION.

29 (B.2) LACK OF QUORUM.--IF A QUORUM IS NOT PRESENT AT THE
30 FIRST MEETING, THE CHAIR OF THE GOVERNING BODY OF THE COUNTY IN

1 WHICH THE TAX COLLECTION DISTRICT IS LOCATED OR THE CHAIR'S
2 DESIGNEE SHALL RESCHEDULE THE MEETING WITHIN THREE WEEKS. THE
3 CHAIR OR THE CHAIR'S DESIGNEE SHALL PROVIDE, BY FIRST CLASS
4 MAIL, NOTICE OF THE RESCHEDULED MEETING TO THE DEPARTMENT AND TO
5 THE GOVERNING BODIES OF ALL POLITICAL SUBDIVISIONS IN THE TAX
6 COLLECTION DISTRICT ON A FORM PRESCRIBED BY THE DEPARTMENT. THE
7 FORM SHALL INCLUDE THE DATE, TIME AND LOCATION OF THE
8 RESCHEDULED MEETING AND A NOTICE THAT THE DELEGATES PRESENT AT
9 THE RESCHEDULED MEETING SHALL CONSTITUTE A QUORUM. THE
10 RESCHEDULED MEETING SHALL BE DEEMED TO BE THE FIRST MEETING FOR
11 PURPOSES OF THIS CHAPTER.

12 (C) VOTING RIGHTS.--

13 (1) ONLY A DELEGATE APPOINTED BY THE GOVERNING BODY OF A
14 POLITICAL SUBDIVISION MAY REPRESENT A POLITICAL SUBDIVISION
15 AT A TAX COLLECTION COMMITTEE MEETING. IF A DELEGATE CANNOT
16 BE PRESENT FOR A TAX COLLECTION COMMITTEE MEETING, THE
17 ALTERNATE APPOINTED UNDER THIS SECTION MAY REPRESENT THE
18 POLITICAL SUBDIVISION. EACH DELEGATE OR ALTERNATE SHALL BE
19 ENTITLED TO VOTE UPON ANY ACTION AUTHORIZED OR REQUIRED OF
20 THE TAX COLLECTION COMMITTEE UNDER THIS CHAPTER.

21 (2) FOR THE FIRST MEETING OF THE TAX COLLECTION
22 COMMITTEE, ACTIONS OF THE TAX COLLECTION COMMITTEE SHALL BE
23 DETERMINED BY A MAJORITY VOTE OF THOSE DELEGATES PRESENT.
24 VOTES SHALL BE WEIGHTED IN DIRECT PROPORTION TO INCOME TAX
25 REVENUES COLLECTED IN EACH POLITICAL SUBDIVISION, BASED ON
26 EACH POLITICAL SUBDIVISION'S MOST RECENT ANNUAL FINANCIAL
27 REPORT SUBMITTED TO THE DEPARTMENT OR THE DEPARTMENT OF
28 EDUCATION. FOR SUBSEQUENT MEETINGS, VOTES SHALL BE TAKEN IN
29 ACCORDANCE WITH THIS PARAGRAPH UNLESS THE BYLAWS PROVIDE
30 OTHERWISE.

1 (3) NO LATER THAN SEVEN DAYS PRIOR TO THE FIRST MEETING,
2 THE DEPARTMENT SHALL CALCULATE THE WEIGHTED VOTE FOR EACH
3 POLITICAL SUBDIVISION WITHIN EACH TAX COLLECTION DISTRICT
4 BASED ON THE MOST RECENT ANNUAL FINANCIAL REPORT AVAILABLE.
5 BY JULY 1 OF THE YEAR FOLLOWING THE FIRST MEETING, AND OF
6 EACH YEAR THEREAFTER, EACH TAX COLLECTION COMMITTEE SHALL
7 RECALCULATE THE WEIGHTED VOTE UNLESS THE BYLAWS PROVIDE FOR A
8 MORE FREQUENT RECALCULATION.

9 (4) IF A POLITICAL SUBDIVISION WITHIN THE TAX COLLECTION
10 DISTRICT IMPOSES AN INCOME TAX FOR THE FIRST TIME, THE TAX
11 COLLECTION COMMITTEE SHALL RECALCULATE THE WEIGHTED VOTE OR
12 OTHER METHOD OF VOTING UNDER THE BYLAWS.

13 (D) FIRST MEETING SCHEDULE.--THE FIRST MEETING OF THE TAX
14 COLLECTION COMMITTEE IN EACH TAX COLLECTION DISTRICT SHALL BE ON
15 OR BEFORE MAY 1, 2007. THE CHAIR OF THE COUNTY COMMISSIONERS OF
16 THE COUNTY IN WHICH THE TAX COLLECTION DISTRICT IS PRIMARILY
17 LOCATED OR THE CHAIR'S DESIGNEE SHALL SCHEDULE THE FIRST MEETING
18 OF THE TAX COLLECTION COMMITTEE AND SHALL PROVIDE, AT LEAST 21
19 DAYS BEFORE THE MEETING, PUBLIC NOTICE, AS REQUIRED BY 65
20 PA.C.S. § 703 (RELATING TO DEFINITIONS), AND NOTICE BY FIRST
21 CLASS MAIL BY MARCH 15, 2007, TO THE DEPARTMENT AND TO THE
22 GOVERNING BODY OF EACH POLITICAL SUBDIVISION LOCATED IN THE TAX
23 COLLECTION DISTRICT.

24 (E) FIRST MEETING AGENDA.--THE CHAIR OF THE COUNTY
25 COMMISSIONERS OR THE CHAIR'S DESIGNEE SHALL CONVENE THE FIRST
26 MEETING OF THE TAX COLLECTION COMMITTEE. THE CHAIR OF THE COUNTY
27 COMMISSIONERS SHALL CONDUCT THE MEETING AND RECORD ALL VOTES
28 UNTIL A CHAIRPERSON, VICE CHAIRPERSON AND SECRETARY ARE ELECTED
29 BY THE COMMITTEE. THE DELEGATES SHALL ELECT A CHAIR, VICE CHAIR
30 FROM AMONG THE DELEGATES AND A SECRETARY. THE CHAIR SHALL

1 SCHEDULE MEETINGS, SET THE AGENDA, CONDUCT MEETINGS, RECORD
2 VOTES AND PERFORM OTHER DUTIES AS DETERMINED BY THE TAX
3 COLLECTION COMMITTEE. THE SECRETARY SHALL MAINTAIN THE MINUTES
4 AND RECORDS OF THE TAX COLLECTION COMMITTEE AND PROVIDE PUBLIC
5 NOTICES AND ALL NOTICES TO EACH DELEGATE AND ALTERNATE APPOINTED
6 TO THE TAX COLLECTION COMMITTEE.

7 (F) BYLAWS.--NO LATER THAN JULY 1, 2007, THE DELEGATES OF
8 EACH TAX COLLECTION COMMITTEE SHALL ADOPT BYLAWS TO GOVERN THE
9 TAX COLLECTION COMMITTEE AND NOTIFY THE DEPARTMENT WITHIN 30
10 DAYS OF ADOPTION. WRITTEN NOTICE SHALL BE PROVIDED TO EACH
11 DELEGATE AND ALTERNATE DELEGATE THAT THE ADOPTION OR AMENDMENT
12 OF BYLAWS WILL BE CONSIDERED AT A MEETING. NOTICE SHALL INCLUDE
13 COPIES OF THE PROPOSED BYLAWS OR AMENDMENTS. THE BYLAWS FOR EACH
14 TAX COLLECTION COMMITTEE SHALL PROVIDE FOR THE FOLLOWING:

15 (1) RULES OF PROCEDURE, QUORUM REQUIREMENTS, VOTING
16 RIGHTS AND PROVISIONS FOR MANAGING THE AFFAIRS OF THE TAX
17 COLLECTION COMMITTEE.

18 (2) A LIST OF OFFICERS, THEIR TERMS AND POWERS AND A
19 PROCESS FOR THEIR ELECTION.

20 (3) MEETINGS, INCLUDING SPECIAL MEETINGS.

21 (4) THE PROCESS FOR ADOPTING AND AMENDING BYLAWS.

22 (5) THE ADDITION OF NEW POLITICAL SUBDIVISIONS TO THE
23 TAX COLLECTION COMMITTEE.

24 (G) OFFICERS.--UPON THE ELECTION OF ANY NEW OFFICERS, THE
25 TAX COLLECTION COMMITTEE SHALL NOTIFY THE DEPARTMENT WITHIN 30
26 DAYS AND SHALL PROVIDE THE DEPARTMENT WITH THE NAME AND ADDRESS
27 OF EACH OFFICER.

28 (H) AUDITS OF TAXES RECEIVED AND DISBURSED.--

29 (1) BY THE END OF EACH CALENDAR YEAR, THE TAX COLLECTION
30 COMMITTEE SHALL PROVIDE FOR AT LEAST ONE EXAMINATION FOR EACH

1 CALENDAR YEAR OF THE BOOKS, ACCOUNTS, FINANCIAL STATEMENTS,
2 COMPLIANCE REPORTS AND RECORDS OF THE TAX OFFICER BY A
3 CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT APPROVED AND
4 APPOINTED BY THE TAX COLLECTION COMMITTEE. THE EXAMINATION
5 SHALL INCLUDE AN AUDIT OF ALL RECORDS RELATING TO THE CASH
6 BASIS RECEIPT AND DISBURSEMENT OF ALL PUBLIC MONEY BY THE TAX
7 OFFICER, A RECONCILIATION OF THE MONTHLY REPORTS REQUIRED BY
8 SECTION 509(B), AN ANALYSIS OF THE BOND AMOUNT UNDER SECTION
9 509(D) AND AN ANALYSIS OF THE COLLECTION FEES CHARGED TO THE
10 TAX COLLECTION COMMITTEE. IN THE CASE OF A PRIVATE AGENCY,
11 THE EXAMINATION SHALL NOT INCLUDE PAYROLL AND OTHER
12 PROPRIETARY INFORMATION. THE EXAMINATION SHALL BE CONDUCTED
13 ACCORDING TO GENERALLY ACCEPTED GOVERNMENTAL AUDITING
14 STANDARDS.

15 (2) THE CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT
16 SHALL ISSUE A REPORT, IN A FORMAT PRESCRIBED BY THE
17 DEPARTMENT, TO THE TAX COLLECTION COMMITTEE, WHICH SHALL
18 INCLUDE AN AUDITOR'S OPINION LETTER, A FINANCIAL STATEMENT, A
19 RECONCILIATION OF THE MONTHLY REPORTS REQUIRED BY SECTION
20 509(B) WITH THE RECEIPTS AND DISBURSEMENTS, A SUMMARY OF
21 COLLECTION FEES CHARGED TO THE TAX COLLECTION COMMITTEE, A
22 REPORT ON THE TAX OFFICER'S COMPLIANCE WITH THIS ACT, A LIST
23 OF ANY FINDINGS OF NONCOMPLIANCE WITH THIS ACT AND A COPY OF
24 A MANAGEMENT LETTER IF ONE IS ISSUED BY THE AUDITOR. IF THERE
25 ARE FINDINGS OF NONCOMPLIANCE, A COPY OF THE REPORT SHALL BE
26 FILED WITH THE OFFICE OF ATTORNEY GENERAL, THE DEPARTMENT OF
27 THE AUDITOR GENERAL AND THE DEPARTMENT. A COPY OF THE REPORT
28 SHALL BE FILED WITH ALL POLITICAL SUBDIVISIONS WITHIN THE TAX
29 COLLECTION DISTRICT AND THE DEPARTMENT ON OR BEFORE SEPTEMBER
30 1 OF THE SUCCEEDING YEAR. THE DEPARTMENT MAY MAKE AVAILABLE

1 ON ITS INTERNET WEBSITE SUMMARY DATA FROM THE REPORTS FILED
2 UNDER THIS SUBSECTION.

3 (I) APPLICABILITY OF STATUTES.--EACH TAX COLLECTION
4 COMMITTEE SHALL BE SUBJECT TO THE PROVISIONS OF THE FOLLOWING:

5 (1) THE ACT OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED
6 TO AS THE RIGHT-TO-KNOW LAW.

7 (2) THE ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN
8 AS THE STATE ADVERSE INTEREST ACT.

9 (3) 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

10 (4) 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS AND
11 FINANCIAL DISCLOSURE).

12 (J) APPEALS BOARD.--

13 (1) BY JULY 1, 2008, EACH TAX COLLECTION COMMITTEE SHALL
14 ESTABLISH AN APPEALS BOARD COMPRISED OF A MINIMUM OF THREE
15 DELEGATES.

16 (2) A DETERMINATION OF THE TAX OFFICER RELATING TO THE
17 ASSESSMENT, COLLECTION, REFUND, WITHHOLDING, REMITTANCE OR
18 DISTRIBUTION OF INCOME TAXES MAY BE APPEALED TO THE APPEALS
19 BOARD BY A TAXPAYER, EMPLOYER, POLITICAL SUBDIVISION OR
20 ANOTHER TAX COLLECTION DISTRICT.

21 (3) ALL APPEALS SHALL BE CONDUCTED IN A MANNER
22 CONSISTENT WITH 53 PA.C.S. §§ 8430 (RELATING TO
23 ADMINISTRATIVE APPEALS), 8431 (RELATING TO PETITIONS), 8432
24 (RELATING TO PRACTICE AND PROCEDURE), 8433 (RELATING TO
25 DECISIONS) AND 8434 (RELATING TO APPEALS).

26 (4) A TAX COLLECTION COMMITTEE MAY ENTER INTO AGREEMENT
27 WITH ANOTHER TAX COLLECTION COMMITTEE TO ESTABLISH A JOINT
28 APPEALS BOARD.

29 (5) NO MEMBER OF AN APPEALS BOARD OR JOINT APPEALS BOARD
30 MAY BE A TAX OFFICER OR AN EMPLOYEE, AGENT OR ATTORNEY FOR A

1 TAX OFFICER.

2 SECTION 506. TAX OFFICER.

3 (A) COLLECTION AND ADMINISTRATION.--NOTWITHSTANDING ANY
4 OTHER PROVISION OF LAW TO THE CONTRARY, INCOME TAXES SHALL BE
5 COLLECTED AND ADMINISTERED BY ONE TAX OFFICER IN EACH TAX
6 COLLECTION DISTRICT APPOINTED UNDER SECTION 507(A). TWO OR MORE
7 TAX COLLECTION DISTRICTS MAY APPOINT THE SAME TAX OFFICER. IF
8 TWO OR MORE TAX COLLECTION DISTRICTS FORM A JOINT TAX COLLECTION
9 COMMITTEE, THE JOINT TAX COLLECTION COMMITTEE SHALL APPOINT A
10 SINGLE TAX OFFICER.

11 (B) STANDARDS.--A TAX COLLECTION COMMITTEE MAY NOT APPOINT
12 AS A TAX OFFICER ANY TAX BUREAU, POLITICAL SUBDIVISION OR
13 PRIVATE AGENCY THAT:

14 (1) HAS BEEN CONVICTED OF A FELONY INVOLVING FRAUD,
15 EXTORTION OR DISHONESTY IN ANY JURISDICTION;

16 (2) HAS ENGAGED IN CONDUCT WHICH SIGNIFICANTLY ADVERSELY
17 REFLECTS ON THE APPLICANT'S CREDIBILITY, HONESTY OR
18 INTEGRITY; OR

19 (3) IS UNABLE TO OBTAIN THE BOND REQUIRED BY SECTION
20 509(D).

21 SECTION 507. APPOINTMENT OF TAX OFFICER.

22 (A) APPOINTMENT.--BY MARCH 1, 2008, EACH TAX COLLECTION
23 COMMITTEE SHALL APPOINT A TAX OFFICER BY RESOLUTION AND SHALL
24 NOTIFY THE DEPARTMENT OF THE APPOINTMENT, INCLUDING THE TAX
25 OFFICER'S NAME, ADDRESS AND TELEPHONE NUMBER AND ANY OTHER
26 INFORMATION REQUIRED BY THE DEPARTMENT WITHIN TEN DAYS OF THE
27 APPOINTMENT. THE NAME, TELEPHONE NUMBER AND ADDRESS OF THE TAX
28 OFFICER APPOINTED SHALL BE ADDED TO THE OFFICIAL REGISTER AND
29 SHALL BE EFFECTIVE FOR THE ASSESSMENT, COLLECTION AND
30 ADMINISTRATION OF INCOME TAXES LEVIED, IMPOSED AND COLLECTED IN

1 FISCAL YEARS BEGINNING ON AND AFTER JANUARY 1, 2009. IF THE
2 POSITION OF TAX OFFICER BECOMES VACANT, THE TAX COLLECTION
3 COMMITTEE SHALL APPOINT A NEW TAX OFFICER BY RESOLUTION.

4 (B) COURT SELECTION.--

5 (1) IF A TAX COLLECTION COMMITTEE HAS NOT APPOINTED A
6 TAX OFFICER UNDER SUBSECTION (A) OR IF A TAX OFFICER CEASES
7 TO HOLD OFFICE AND A SUCCESSOR HAS NOT BEEN APPOINTED WITHIN
8 30 DAYS OF THE VACANCY, THE TAX COLLECTION COMMITTEE SHALL
9 IMMEDIATELY NOTIFY THE DEPARTMENT AND SHALL SUBMIT THE NAMES
10 OF AT LEAST TWO NOMINEES FOR THE POSITION OF TAX OFFICER TO
11 THE COURT OF COMMON PLEAS IN THE COUNTY IN WHICH THE TAX
12 COLLECTION DISTRICT IS LOCATED. THE COURT SHALL SELECT A TAX
13 OFFICER FROM AMONG THE NOMINEES SUBMITTED BY THE TAX
14 COLLECTION COMMITTEE.

15 (2) IF THE TAX COLLECTION COMMITTEE FAILS TO SUBMIT
16 NOMINEES IN ACCORDANCE WITH THIS SUBSECTION, ANY POLITICAL
17 SUBDIVISION WITHIN THE TAX COLLECTION DISTRICT MAY, AFTER
18 NOTIFYING THE DEPARTMENT, PETITION THE COURT TO SELECT A TAX
19 OFFICER. THE COURT MAY PROVIDE FOR OTHER PERSONS TO SUBMIT
20 NOMINATIONS FOR THE POSITION OF TAX OFFICER. THE COURT MAY
21 SELECT A TAX OFFICER FROM AMONG THE NOMINEES.

22 (3) IN THE EVENT THAT A TAX OFFICER IS TO BE SELECTED BY
23 THE COURT UNDER THIS SUBSECTION, THE DEPARTMENT SHALL INFORM
24 THE COURT OF THE TIME FRAME BY WHICH AN APPOINTMENT OF A TAX
25 OFFICER IS NEEDED AND OF UPCOMING DEADLINES WHICH THE TAX
26 OFFICER MUST MEET IN ORDER TO TIMELY FULFILL THE DUTIES OF
27 APPOINTMENT.

28 (4) UPON THE SELECTION OF A TAX OFFICER BY THE COURT,
29 THE TAX COLLECTION COMMITTEE SHALL APPOINT THE PERSON
30 SELECTED.

1 (C) COMPENSATION.--THE TAX OFFICER SHALL RECEIVE REASONABLE
2 COMPENSATION FOR SERVICES AND EXPENSES AS DETERMINED BY THE TAX
3 COLLECTION COMMITTEE. COMPENSATION SHALL BE PRORATED BASED ON
4 THE PERCENTAGE OF INCOME TAX REVENUE COLLECTED IN ALL POLITICAL
5 SUBDIVISIONS WITHIN THE TAX COLLECTION DISTRICT UNLESS A
6 DIFFERENT COMPENSATION METHOD IS AGREED TO BY THE TAX OFFICER
7 AND THE TAX COLLECTION COMMITTEE. AT THE DISCRETION OF THE TAX
8 COLLECTION COMMITTEE, THE TAX OFFICER MAY BE PERMITTED TO
9 WITHHOLD THE AMOUNT OF THE TAX OFFICER'S COMPENSATION FROM
10 INCOME TAXES COLLECTED, IF THE MONTHLY REPORTS REQUIRED BY
11 SECTION 509(B) SUBMITTED BY THE TAX OFFICER INCLUDE AN
12 ACCOUNTING FOR ALL COMPENSATION WITHHELD.

13 (D) WRITTEN AGREEMENT.--EXCEPT WHEN A TAX COLLECTION
14 COMMITTEE ESTABLISHES A TAX BUREAU UNDER SECTION 505(A)(5), ALL
15 APPOINTMENTS OF A TAX OFFICER SHALL BE MADE PURSUANT TO A
16 WRITTEN AGREEMENT BETWEEN THE TAX OFFICER AND THE TAX COLLECTION
17 COMMITTEE. THE AGREEMENT SHALL BE APPROVED BY THE COMMITTEE BY
18 RESOLUTION.

19 SECTION 508. POWERS AND DUTIES OF THE DEPARTMENT.

20 (A) ADDITIONAL POWERS.--IN ADDITION TO THE POWERS AND DUTIES
21 PROVIDED FOR IN THIS ACT, THE DEPARTMENT, IN CONSULTATION WITH
22 THE DEPARTMENT OF REVENUE, SHALL PRESCRIBE STANDARDIZED FORMS,
23 REPORTS, NOTICES, RETURNS AND SCHEDULES AND SHALL PROMULGATE
24 REGULATIONS AS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS
25 ACT.

26 (B) TEMPORARY REGULATIONS.--THE DEPARTMENT MAY PROMULGATE
27 TEMPORARY REGULATIONS, FOR A PERIOD OF TWO YEARS, AS NECESSARY,
28 WHICH SHALL BE PUBLISHED IN THE PENNSYLVANIA BULLETIN. THE
29 TEMPORARY REGULATIONS PROMULGATED BY THE DEPARTMENT SHALL EXPIRE
30 NO LATER THAN THREE YEARS FOLLOWING THE EFFECTIVE DATE OF THIS

1 PART OR UPON PROMULGATION OF REGULATIONS AS GENERALLY PROVIDED
2 BY LAW. THE TEMPORARY REGULATIONS SHALL NOT BE SUBJECT TO ANY OF
3 THE FOLLOWING:

4 (1) SECTION 205 OF THE ACT OF JULY 31, 1968 (P.L.769,
5 NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW.

6 (2) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980
7 (P.L.950, NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

8 (3) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
9 THE REGULATORY REVIEW ACT.

10 (C) INTERIM REGULATIONS.--UNTIL PROMULGATION OF THE
11 TEMPORARY OR PERMANENT REGULATIONS UNDER THIS SECTION, RULES AND
12 REGULATIONS IN USE BY TAX COLLECTORS UNDER THE FORMER DIVISION
13 V(C) OF SECTION 13 SHALL REMAIN VALID.

14 SECTION 509. POWERS AND DUTIES OF TAX OFFICER.

15 (A) TAX COLLECTION.--IN ADDITION TO ANY OTHER POWER AND DUTY
16 CONFERRED UPON A TAX OFFICER IN THIS ACT, IT SHALL BE THE DUTY
17 OF THE TAX OFFICER:

18 (1) TO COLLECT, RECONCILE, ADMINISTER AND ENFORCE INCOME
19 TAXES IMPOSED ON RESIDENTS AND NONRESIDENTS OF EACH POLITICAL
20 SUBDIVISION INCLUDED IN THE TAX COLLECTION DISTRICT.

21 (2) TO RECEIVE AND DISTRIBUTE INCOME TAXES AND TO
22 ENFORCE WITHHOLDING BY EMPLOYERS LOCATED IN THE TAX
23 COLLECTION DISTRICT.

24 (3) TO RECEIVE INCOME TAXES DISTRIBUTED BY TAX OFFICERS
25 FOR OTHER TAX COLLECTION DISTRICTS.

26 (4) TO DISTRIBUTE INCOME TAXES TO POLITICAL SUBDIVISIONS
27 AS REQUIRED BY SECTION 513.

28 (5) TO COMPLY WITH ALL REGULATIONS ADOPTED BY THE
29 DEPARTMENT UNDER THIS ACT AND ALL RESOLUTIONS, POLICIES AND
30 PROCEDURES ADOPTED BY THE TAX COLLECTION COMMITTEE.

1 (6) TO INVEST ALL INCOME TAXES IN THE CUSTODY OF THE TAX
2 OFFICER IN AUTHORIZED INVESTMENTS, SUBJECT TO THE APPROVAL OF
3 THE TAX COLLECTION COMMITTEE. THE TAX OFFICER SHALL OBSERVE
4 THE STANDARD OF CARE THAT WOULD BE OBSERVED BY A PRUDENT
5 PERSON DEALING WITH PROPERTY OF ANOTHER. FOR THE PURPOSES OF
6 THIS PARAGRAPH, THE TERM "AUTHORIZED INVESTMENT" SHALL
7 INCLUDE ALL OF THE FOLLOWING:

8 (I) SHORT-TERM OBLIGATIONS OF THE UNITED STATES
9 GOVERNMENT OR ITS AGENCIES OR INSTRUMENTALITIES WHICH ARE
10 BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES
11 OR ARE RATED IN THE HIGHEST CATEGORY BY A NATIONALLY
12 RECOGNIZED STATISTICAL RATING ORGANIZATION.

13 (II) DEPOSITS IN SAVINGS ACCOUNTS, TIME DEPOSITS,
14 SHARE ACCOUNTS OR CERTIFICATES OF DEPOSIT OF
15 INSTITUTIONS, INSURED BY THE FEDERAL DEPOSIT INSURANCE
16 CORPORATION OR THE NATIONAL CREDIT UNION SHARE INSURANCE
17 FUND, OR THEIR SUCCESSOR AGENCIES, TO THE EXTENT THAT THE
18 ACCOUNTS ARE INSURED AND, FOR THE AMOUNT ABOVE THE
19 INSURED MAXIMUM, THAT COLLATERAL, FREE FROM OTHER LIENS,
20 FOR THE AMOUNT IS PLEDGED BY THE DEPOSITORY INSTITUTION.

21 (III) DEPOSITS IN INVESTMENT POOLS ESTABLISHED BY
22 THE STATE TREASURER OR ESTABLISHED BY LOCAL GOVERNMENTS
23 PURSUANT TO 53 PA.C.S. CH. 23 SUBCH. A (RELATING TO
24 INTERGOVERNMENTAL COOPERATION) AND RELATED STATUTES,
25 PROVIDED THAT THE INVESTMENT POOLS ARE RATED IN THE
26 HIGHEST CATEGORY BY A NATIONALLY RECOGNIZED STATISTICAL
27 RATING ORGANIZATION.

28 (IV) REPURCHASE AGREEMENTS WHICH ARE FULLY
29 COLLATERALIZED BY OBLIGATIONS OF THE UNITED STATES
30 GOVERNMENT OR ITS AGENCIES OR INSTRUMENTALITIES, WHICH

1 ARE FREE FROM OTHER LIENS AND BACKED BY THE FULL FAITH
2 AND CREDIT OF THE UNITED STATES OR ARE RATED IN THE
3 HIGHEST CATEGORY BY A NATIONALLY RECOGNIZED STATISTICAL
4 RATING ORGANIZATION.

5 (7) TO DISTRIBUTE INCOME GENERATED FROM INVESTMENTS
6 AUTHORIZED UNDER PARAGRAPH (6) AS DETERMINED BY THE TAX
7 COLLECTION COMMITTEE.

8 (B) MONTHLY REPORTS.--THE TAX OFFICER SHALL, WITHIN 20 DAYS
9 AFTER THE END OF EACH MONTH, PROVIDE A WRITTEN REPORT, ON FORMS
10 PRESCRIBED BY THE DEPARTMENT, TO THE SECRETARY OF THE TAX
11 COLLECTION COMMITTEE AND TO THE SECRETARY OF EACH POLITICAL
12 SUBDIVISION IN THE TAX COLLECTION DISTRICT FOR WHICH TAXES WERE
13 COLLECTED DURING THE PREVIOUS MONTH. THE REPORT SHALL INCLUDE A
14 BREAKDOWN OF ALL INCOME TAXES, INCOME GENERATED FROM INVESTMENTS
15 UNDER SUBSECTION (A)(6), PENALTIES, COSTS AND OTHER MONEY
16 RECEIVED, COLLECTED, EXPENDED AND DISTRIBUTED FOR EACH POLITICAL
17 SUBDIVISION SERVED BY THE TAX OFFICER AND OF ALL MONEY
18 DISTRIBUTED TO TAX OFFICERS FOR OTHER TAX COLLECTION DISTRICTS.

19 (C) OVERPAYMENTS.--A TAX OFFICER SHALL REFUND, UNDER 53
20 PA.C.S. §§ 8425 (RELATING TO REFUNDS OF OVERPAYMENTS) AND 8426
21 (RELATING TO INTEREST ON OVERPAYMENT), ON PETITION OF AND PROOF
22 BY THE TAXPAYER, INCOME TAXES PAID IN EXCESS OF INCOME TAXES
23 RIGHTFULLY DUE.

24 (D) BONDS.--PRIOR TO INITIATING ANY OFFICIAL DUTIES, EACH
25 TAX OFFICER SHALL GIVE AND ACKNOWLEDGE A BOND TO THE APPOINTING
26 TAX COLLECTION COMMITTEE AS FOLLOWS:

27 (1) THE TAX COLLECTION COMMITTEE SHALL FIX THE BOND AT
28 AN AMOUNT SUFFICIENT TO SECURE THE FINANCIAL RESPONSIBILITY
29 OF THE TAX OFFICER IN ACCORDANCE WITH GUIDELINES ADOPTED BY
30 THE DEPARTMENT. THE BOND SHALL BE IN AN AMOUNT EQUAL TO THE

1 MAXIMUM AMOUNT OF TAXES THAT MAY BE IN THE POSSESSION OF THE
2 TAX OFFICER AT ANY GIVEN TIME. THE AMOUNT OF THE BOND SHALL
3 BE REVISED ANNUALLY BY THE TAX COLLECTION COMMITTEE BASED
4 UPON THE ANNUAL EXAMINATION REQUIRED UNDER SECTION 505(H).

5 (2) EACH BOND SHALL BE JOINT AND SEVERAL, WITH ONE OR
6 MORE CORPORATE SURETIES, WHICH SHALL BE SURETY COMPANIES
7 AUTHORIZED TO DO BUSINESS IN THIS COMMONWEALTH AND LICENSED
8 BY THE INSURANCE DEPARTMENT.

9 (3) EACH BOND SHALL BE CONDITIONED UPON THE COMPLETION
10 OF ALL OF THE FOLLOWING BY THE TAX OFFICER'S EMPLOYEES AND
11 APPOINTEES:

12 (I) THE FAITHFUL EXECUTION OF ALL DUTIES REQUIRED OF
13 THE TAX OFFICER.

14 (II) THE JUST AND FAITHFUL ACCOUNTING OR PAYMENT
15 OVER OF ALL MONEYS AND BALANCES PAID TO, RECEIVED OR HELD
16 BY THE TAX OFFICER BY VIRTUE OF THE OFFICE IN ACCORDANCE
17 WITH LAW.

18 (III) THE DELIVERY OF ALL TAX RECORDS OR OTHER
19 OFFICIAL ITEMS HELD IN RIGHT AS THE TAX OFFICER TO THE
20 TAX OFFICER'S SUCCESSOR IN OFFICE.

21 (4) EACH BOND SHALL BE TAKEN IN THE NAME OF THE TAX
22 COLLECTION DISTRICT AND SHALL BE FOR THE USE OF THE TAX
23 COLLECTION DISTRICT APPOINTING THE TAX OFFICER, AND FOR THE
24 USE OF ANY OTHER POLITICAL SUBDIVISION OR TAX COLLECTION
25 DISTRICT FOR WHICH INCOME TAXES SHALL BE COLLECTED OR
26 DISTRIBUTED IN CASE OF A BREACH OF ANY CONDITIONS OF THE BOND
27 BY THE ACTS OR NEGLECT OF THE PRINCIPAL ON THE BOND.

28 (5) A TAX COLLECTION COMMITTEE OR ANY POLITICAL
29 SUBDIVISION MAY SUE UPON THE BOND FOR THE PAYMENT OR
30 DISTRIBUTION OF INCOME TAXES.

1 (6) EACH BOND SHALL CONTAIN THE NAME OF THE SURETY
2 COMPANY BOUND ON THE BOND.

3 (7) THE TAX COLLECTION COMMITTEE MAY, UPON CAUSE SHOWN
4 AND DUE NOTICE TO THE TAX OFFICER AND THE TAX OFFICER'S
5 SURETIES, REQUIRE OR ALLOW THE SUBSTITUTION OR THE ADDITION
6 OF A SURETY COMPANY ACCEPTABLE TO THE TAX COLLECTION
7 COMMITTEE FOR THE PURPOSE OF MAKING THE BOND SUFFICIENT IN
8 AMOUNT, WITHOUT RELEASING THE SURETIES FIRST APPROVED FROM
9 ANY ACCRUED LIABILITY OR PREVIOUS ACTION ON THE BOND.

10 (8) THE TAX COLLECTION COMMITTEE SHALL DESIGNATE THE
11 CUSTODIAN OF THE BOND.

12 (9) THE TAX OFFICER SHALL FILE COPIES OF ALL BONDS IN
13 EFFECT WITH EACH POLITICAL SUBDIVISION IN THE TAX COLLECTION
14 DISTRICT.

15 (10) A COPY OF ALL BONDS IN EFFECT SHALL BE MADE
16 AVAILABLE UPON REQUEST AND AT NO COST TO THE DEPARTMENT OR TO
17 A TAX COLLECTION DISTRICT OR POLITICAL SUBDIVISION SEEKING
18 PAYMENT OR DISTRIBUTION OF INCOME TAXES AUTHORIZED BY THIS
19 ACT.

20 (E) RECORDS.--IT SHALL BE THE DUTY OF THE TAX OFFICER TO
21 KEEP A RECORD SHOWING THE AMOUNT OF INCOME TAXES RECEIVED FROM
22 EACH TAXPAYER OR OTHER TAX OFFICER, THE DATE OF RECEIPT, THE
23 AMOUNT AND DATE OF ALL OTHER MONEYS RECEIVED OR DISTRIBUTED AND
24 ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT. ALL TAX
25 RECORDS SHALL BE THE PROPERTY OF THE POLITICAL SUBDIVISION AND
26 THE TAX COLLECTION DISTRICT IN WHICH THE TAXES WERE COLLECTED.
27 THE TAX COLLECTION DISTRICT SHALL RETAIN ALL TAX RECORDS FOR AT
28 LEAST SEVEN YEARS UNLESS OTHERWISE PROVIDED BY THE LOCAL
29 GOVERNMENT RECORDS COMMITTEE OF THE PENNSYLVANIA HISTORICAL AND
30 MUSEUM COMMISSION UNDER 53 PA.C.S. CH. 13 SUBCH. F (RELATING TO

1 RECORDS). TAX RECORDS UNDER THIS SUBSECTION MAY BE RETAINED
2 ELECTRONICALLY AS PERMITTED BY LAW.

3 (F) EMPLOYER AND TAXPAYER AUDITS.--

4 (1) IN ORDER TO VERIFY THE ACCURACY OF ANY INCOME TAX
5 DECLARATION OR RETURN OR, IF NO DECLARATION OR RETURN WAS
6 FILED, TO ASCERTAIN THE INCOME TAX DUE, THE TAX OFFICER AND
7 THE TAX OFFICER'S DESIGNATED EMPLOYEES MAY EXAMINE THE
8 RECORDS PERTAINING TO INCOME TAXES DUE OF ANY OF THE
9 FOLLOWING:

10 (I) AN EMPLOYER.

11 (II) A TAXPAYER.

12 (III) A PERSON WHOM THE TAX OFFICER REASONABLY
13 BELIEVES TO BE AN EMPLOYER OR TAXPAYER.

14 (2) EVERY EMPLOYER AND TAXPAYER OR OTHER PERSON WHOM THE
15 TAX OFFICER REASONABLY BELIEVES TO BE AN EMPLOYER OR TAXPAYER
16 SHALL PROVIDE TO THE TAX OFFICER AND THE TAX OFFICER'S
17 DESIGNATED EMPLOYEES THE MEANS, FACILITIES AND OPPORTUNITY
18 FOR THE EXAMINATION AND INVESTIGATION AUTHORIZED UNDER
19 PARAGRAPH (1).

20 (3) FOR PURPOSES OF THIS SUBSECTION, THE TERM "RECORDS"
21 SHALL INCLUDE ANY BOOKS, PAPERS, AND RELEVANT FEDERAL OR
22 STATE TAX RETURNS AND ACCOMPANYING SCHEDULES, OR SUPPORTING
23 DOCUMENTATION FOR ANY INCOME TAXABLE UNDER THIS ACT.

24 (G) EXCHANGE OF INFORMATION.--THE TAX OFFICER SHALL ENSURE
25 THAT THE DEPARTMENT OF REVENUE AND EACH TAX COLLECTION DISTRICT
26 SHALL ENTER INTO AGREEMENTS FOR THE EXCHANGE OF INFORMATION AS
27 NECESSARY FOR THE COLLECTION OF INCOME TAXES.

28 (H) ACTION FOR COLLECTION OF INCOME TAXES.--THE TAX OFFICER
29 MAY FILE AN ACTION IN THE NAME OF A POLITICAL SUBDIVISION WITHIN
30 THE TAX COLLECTION DISTRICT FOR THE RECOVERY OF INCOME TAXES DUE

1 TO THE POLITICAL SUBDIVISION AND UNPAID. NOTHING IN THIS
2 SUBSECTION SHALL AFFECT THE AUTHORITY OF A POLITICAL SUBDIVISION
3 TO FILE AN ACTION IN ITS OWN NAME FOR COLLECTION OF INCOME TAXES
4 UNDER THIS CHAPTER. THIS SUBSECTION SHALL NOT BE CONSTRUED TO
5 LIMIT A TAX OFFICER, A TAX COLLECTION DISTRICT OR POLITICAL
6 SUBDIVISION FROM RECOVERING DELINQUENT INCOME TAXES BY ANY OTHER
7 MEANS PROVIDED BY THIS ACT. ACTIONS FOR COLLECTION OF INCOME
8 TAXES SHALL BE SUBJECT TO THE FOLLOWING:

9 (1) EXCEPT AS SET FORTH IN PARAGRAPH (2) OR (4), AN
10 ACTION BROUGHT TO RECOVER INCOME TAXES MUST BE COMMENCED
11 WITHIN THREE YEARS OF THE LATER OF THE DATE:

12 (I) THE INCOME TAXES ARE DUE;

13 (II) THE DECLARATION OR RETURN HAS BEEN FILED; OR

14 (III) OF A REDETERMINATION OF COMPENSATION OR NET
15 PROFITS BY THE DEPARTMENT OF REVENUE.

16 (2) IF THERE IS SUBSTANTIAL UNDERSTATEMENT OF INCOME TAX
17 LIABILITY OF 25% OR MORE AND THERE IS NO FRAUD, AN ACTION
18 MUST BE COMMENCED WITHIN SIX YEARS.

19 (3) EXCEPT AS SET FORTH IN PARAGRAPH(4)(II), (III) OR
20 (IV), AN ACTION BY A TAX OFFICER FOR RECOVERY OF AN ERRONEOUS
21 REFUND MUST BE COMMENCED AS FOLLOWS:

22 (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), WITHIN
23 TWO YEARS AFTER MAKING THE REFUND.

24 (II) IF IT APPEARS THAT ANY PART OF THE REFUND WAS
25 INDUCED BY FRAUD OR MISREPRESENTATION OF MATERIAL FACT,
26 WITHIN FIVE YEARS AFTER MAKING THE REFUND.

27 (4) THERE IS NO LIMITATION OF ACTION IF ANY OF THE
28 FOLLOWING APPLY:

29 (I) A TAXPAYER FAILS TO FILE A DECLARATION OR RETURN
30 REQUIRED UNDER THIS ACT.

1 (II) AN EXAMINATION OF A DECLARATION OR RETURN OR OF
2 OTHER EVIDENCE IN THE POSSESSION OF THE TAX OFFICER
3 RELATING TO THE DECLARATION OR RETURN REVEALS A
4 FRAUDULENT EVASION OF INCOME TAXES.

5 (III) AN EMPLOYER HAS DEDUCTED INCOME TAXES UNDER
6 SECTION 512 AND HAS FAILED TO PAY THE AMOUNT DEDUCTED TO
7 THE TAX OFFICER.

8 (IV) AN EMPLOYER HAS INTENTIONALLY FAILED TO MAKE
9 DEDUCTIONS REQUIRED BY THIS ACT.

10 (I) INTEREST AND PENALTIES.--

11 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), IF THE INCOME
12 TAX IS NOT PAID WHEN DUE, INTEREST AT THE RATE THE TAXPAYER
13 IS REQUIRED TO PAY TO THE COMMONWEALTH UNDER SECTION 806 OF
14 THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE
15 FISCAL CODE, ON THE AMOUNT OF THE INCOME TAX, AND AN
16 ADDITIONAL PENALTY OF 1% OF THE AMOUNT OF THE UNPAID INCOME
17 TAX FOR EACH MONTH OR FRACTION OF A MONTH DURING WHICH THE
18 INCOME TAX REMAINS UNPAID SHALL BE ADDED AND COLLECTED BUT
19 THE AMOUNT SHALL NOT EXCEED 15% IN THE AGGREGATE. WHERE AN
20 ACTION IS BROUGHT FOR THE RECOVERY OF THE INCOME TAX, THE
21 TAXPAYER LIABLE FOR THE INCOME TAX SHALL, IN ADDITION, BE
22 LIABLE FOR THE COSTS OF COLLECTION, INTEREST AND PENALTIES.

23 (2) THE DEPARTMENT MAY ESTABLISH CONDITIONS UNDER WHICH
24 A TAX OFFICER, WITH THE CONCURRENCE OF THE TAX COLLECTION
25 COMMITTEE, MAY ABATE INTEREST OR PENALTIES THAT WOULD
26 OTHERWISE BE IMPOSED FOR THE NONREPORTING OR UNDERREPORTING
27 OF INCOME TAX LIABILITIES OR FOR THE NONPAYMENT OF INCOME
28 TAXES PREVIOUSLY IMPOSED AND DUE IF THE TAXPAYER VOLUNTARILY
29 FILES DELINQUENT RETURNS AND PAYS THE INCOME TAXES IN FULL.

30 (3) THE PROVISIONS OF PARAGRAPH (2) SHALL NOT AFFECT OR

1 TERMINATE ANY PETITIONS, INVESTIGATIONS, PROSECUTIONS OR
2 OTHER PROCEEDINGS PENDING UNDER OF THIS CHAPTER, OR PREVENT
3 THE COMMENCEMENT OR FURTHER PROSECUTION OF ANY PROCEEDINGS BY
4 THE PROPER AUTHORITIES FOR VIOLATIONS OF THIS ACT. NO
5 PROCEEDINGS SHALL, HOWEVER, BE COMMENCED ON THE BASIS OF
6 DELINQUENT RETURNS FILED PURSUANT TO PARAGRAPH (3) IF THE
7 RETURNS ARE DETERMINED TO BE SUBSTANTIALLY TRUE AND CORRECT
8 AND THE INCOME TAXES ARE PAID IN FULL WITHIN THE PRESCRIBED
9 TIME.

10 (J) FINES AND PENALTIES FOR VIOLATIONS.--

11 (1) ANY TAXPAYER WHO FAILS, NEGLECTS OR REFUSES TO MAKE
12 ANY DECLARATION OR RETURN REQUIRED BY THIS CHAPTER, ANY
13 EMPLOYER WHO FAILS, NEGLECTS OR REFUSES TO REGISTER, KEEP OR
14 SUPPLY RECORDS OR RETURNS REQUIRED BY SECTION 512 OR TO PAY
15 THE INCOME TAX DEDUCTED FROM EMPLOYEES, OR FAILS, NEGLECTS OR
16 REFUSES TO DEDUCT OR WITHHOLD THE INCOME TAX FROM EMPLOYEES,
17 ANY TAXPAYER OR EMPLOYER WHO REFUSES TO PERMIT THE TAX
18 OFFICER APPOINTED BY A TAX COLLECTION COMMITTEE OR AN
19 EMPLOYEE OR AGENT OF THE TAX OFFICER TO EXAMINE BOOKS,
20 RECORDS AND PAPERS, AND ANY TAXPAYER OR EMPLOYER WHO
21 KNOWINGLY MAKES ANY INCOMPLETE, FALSE OR FRAUDULENT RETURN,
22 OR ATTEMPTS TO DO ANYTHING WHATSOEVER TO AVOID THE FULL
23 DISCLOSURE OF THE AMOUNT OF INCOME IN ORDER TO AVOID THE
24 PAYMENT OF INCOME TAXES SHALL, UPON CONVICTION THEREOF, BE
25 SENTENCED TO PAY A FINE OF NOT MORE THAN \$2,500 FOR EACH
26 OFFENSE AND REASONABLE COSTS, AND IN DEFAULT OF PAYMENT OF
27 SAID FINE AND COSTS, TO IMPRISONMENT FOR NOT MORE THAN SIX
28 MONTHS.

29 (2) ANY EMPLOYER REQUIRED UNDER THIS CHAPTER TO COLLECT,
30 ACCOUNT FOR AND DISTRIBUTE INCOME TAXES WHO WILLFULLY FAILS

1 TO COLLECT OR TRUTHFULLY ACCOUNT FOR AND DISTRIBUTE INCOME
2 TAXES, COMMITS A MISDEMEANOR AND SHALL, UPON CONVICTION, BE
3 SENTENCED TO PAY A FINE NOT EXCEEDING \$25,000 OR TO
4 IMPRISONMENT NOT EXCEEDING TWO YEARS, OR BOTH.

5 (3) THE PENALTIES IMPOSED UNDER THIS SUBSECTION SHALL BE
6 IN ADDITION TO ANY OTHER COSTS AND PENALTIES IMPOSED BY THIS
7 ACT.

8 (4) THE FAILURE OF ANY PERSON TO OBTAIN FORMS REQUIRED
9 FOR MAKING THE DECLARATION OR RETURNS REQUIRED BY THIS ACT
10 SHALL NOT EXCUSE THE PERSON FROM MAKING THE DECLARATION OR
11 RETURN.

12 (K) COLLECTION.--IN ADDITION TO THE POWERS AND DUTIES
13 ENUMERATED IN THIS SECTION, A TAX OFFICER MAY COLLECT OTHER
14 TAXES AS PROVIDED BY LAW.

15 SECTION 510. FINES AND PENALTIES AGAINST TAX OFFICERS.

16 (A) DISTRIBUTION OF NONRESIDENT INCOME TAXES.--THE ATTORNEY
17 GENERAL, A TAX COLLECTION DISTRICT OR A POLITICAL SUBDIVISION
18 THAT BRINGS AN ACTION UNDER SUBSECTION (E) WITH RESPECT TO
19 DISTRIBUTION OF INCOME TAXES UNDER SECTION 513 MAY SEEK
20 EQUITABLE RELIEF FROM A TAX OFFICER, INCLUDING AN ACCOUNTING OF
21 ALL UNDISTRIBUTED INCOME TAXES AND MONETARY DAMAGES, IN THE FORM
22 OF RECOVERY OF THE INCOME TAXES NOT PREVIOUSLY DISTRIBUTED PLUS
23 INTEREST CALCULATED FROM THE DATE THAT THE INCOME TAXES SHOULD
24 HAVE BEEN DISTRIBUTED. IN ADDITION, THE COURT MAY IMPOSE A CIVIL
25 PENALTY NOT TO EXCEED \$2,500 FOR EACH QUARTER FOR WHICH INCOME
26 TAXES WERE NOT DISTRIBUTED IN ACCORDANCE WITH SECTION 513, PLUS
27 REASONABLE COSTS AND ATTORNEY FEES. IF A TAX OFFICER FAILS TO
28 DISTRIBUTE INCOME TAXES TO THE APPROPRIATE POLITICAL SUBDIVISION
29 AS REQUIRED UNDER SECTION 513 FOR FOUR CONSECUTIVE TAX QUARTERS,
30 THE COURT MAY IMPOSE A CIVIL PENALTY NOT TO EXCEED \$5,000. IN

1 ADDITION, THE COURT MAY IMPOSE A FINE NOT TO EXCEED \$100 PER DAY
2 FOR EVERY DAY PAST THE DEADLINE THAT A TAX OFFICER DOES NOT
3 RESPOND TO A CLAIM UNDER SECTION 513(B).

4 (B) MONTHLY REPORTS AND AUDITS OF INCOME TAXES.--IF A TAX
5 OFFICER FAILS TO SUBMIT THE REPORT REQUIRED UNDER SECTION
6 509(B), A TAX COLLECTION DISTRICT OR A POLITICAL SUBDIVISION
7 ENTITLED TO RECEIVE THE REPORT MAY BRING AN ACTION IN THE COURT
8 OF COMMON PLEAS OF THE COUNTY IN WHICH THE TAX COLLECTION
9 DISTRICT IS PRIMARILY LOCATED. THE COURT MAY IMPOSE A CIVIL
10 PENALTY OF \$20 A DAY FOR EACH DAY THAT THE REPORT IS OVERDUE,
11 NOT TO EXCEED \$500. IF AN EXAMINATION SUBMITTED UNDER SECTION
12 505(H) INCLUDES ANY FINDINGS OF NONCOMPLIANCE, THE COURT MAY
13 IMPOSE AN ADDITIONAL CIVIL PENALTY OF NOT LESS THAN \$500 BUT NOT
14 MORE THAN \$2,500.

15 (C) FAILURE OF DUTY.--AN ACTION MAY BE BROUGHT AGAINST THE
16 TAX OFFICER TO COMPEL THE PERFORMANCE OF DUTIES REQUIRED BY THIS
17 CHAPTER OR IMPOSED BY REGULATIONS ADOPTED PURSUANT TO THIS
18 CHAPTER, INCLUDING THE DUTY TO DELIVER ALL TAX RECORDS AND OTHER
19 OFFICIAL ITEMS HELD IN RIGHT AS TAX OFFICER TO THE TAX OFFICER'S
20 SUCCESSOR. UPON A FINDING OF FAILURE TO PERFORM A DUTY, THE
21 COURT MAY IMPOSE A PENALTY NOT TO EXCEED \$5,000; AND THE TAX
22 OFFICER MAY BE HELD LIABLE FOR THE COST OF REPRODUCING TAX
23 RECORDS IF THEY ARE LOST OR CANNOT BE DELIVERED.

24 (D) OTHER VIOLATIONS.--A TAX OFFICER WHO VIOLATES ANY OTHER
25 PROVISION OF THIS ACT SHALL BE SUBJECT TO A CIVIL PENALTY OF UP
26 TO \$2,500 FOR EACH VIOLATION.

27 (E) ACTIONS AGAINST A TAX OFFICER.--AN ACTION AGAINST A TAX
28 OFFICER FOR A VIOLATION OF THIS CHAPTER MAY BE BROUGHT BY THE
29 ATTORNEY GENERAL, A TAX COLLECTION DISTRICT OR A POLITICAL
30 SUBDIVISION FOR WHICH THE TAX OFFICER COLLECTS INCOME TAXES, A

POLITICAL SUBDIVISION OR TAX COLLECTION COMMITTEE OWED INCOME
TAXES BY THE TAX OFFICER OR BY A SURETY.

(F) RESCINDED APPOINTMENT.--

(1) A TAX COLLECTION COMMITTEE SHALL TEMPORARILY REMOVE
A TAX OFFICER IF A CRIMINAL ACTION IS COMMENCED AGAINST THE
TAX OFFICER FOR AN OFFENSE WHICH WOULD CONSTITUTE A VIOLATION
OF THE STANDARDS OF OFFICE UNDER SECTION 504(B). IF THE TAX
OFFICER IS CONVICTED IN THE ACTION, THE TAX COLLECTION
COMMITTEE SHALL RESCIND THE APPOINTMENT AND REMOVE THE TAX
OFFICER PERMANENTLY.

(2) A TAX COLLECTION COMMITTEE MAY REMOVE OR RESCIND THE
APPOINTMENT OF A TAX OFFICER WHERE THE TAX OFFICER OR AN
EMPLOYEE OR AGENT OF THE TAX OFFICER VIOLATES CONFIDENTIALITY
PROVISIONS UNDER SECTION 514(B).

(3) A TAX COLLECTION COMMITTEE MAY REMOVE OR RESCIND THE
APPOINTMENT OF A TAX OFFICER FOR JUST CAUSE.

(4) A TAX COLLECTION COMMITTEE MAY NOT RETAIN A TAX
OFFICER WHO HAS BEEN PENALIZED UNDER SUBSECTION (A), (B), (C)
OR (D) MORE THAN THREE TIMES.

(G) INTERPRETATION.--A TAX OFFICER SHALL NOT BE CONSIDERED A
DEBT COLLECTOR FOR PURPOSES OF THE ACT OF MARCH 28, 2000
(P.L.23, NO.7), KNOWN AS THE FAIR CREDIT EXTENSION UNIFORMITY
ACT. EXCEPT AS OTHERWISE AUTHORIZED IN THIS ACT, A TAX OFFICER
SHALL BE SUBJECT TO THE RESTRICTIONS AND PROHIBITIONS IMPOSED ON
CREDITORS. NOTWITHSTANDING THE PROVISIONS OF THE FAIR CREDIT
EXTENSION UNIFORMITY ACT, THIS ACT SHALL SUPERSEDE ANY
RESTRICTIONS AND PROHIBITIONS ON CREDITORS OTHERWISE APPLICABLE
UNDER THE FAIR CREDIT EXTENSION UNIFORMITY ACT.

SECTION 511. TAX REGISTERS.

(A) REQUIREMENT.--THE DEPARTMENT SHALL MAINTAIN A TAX

1 REGISTER AND AN OFFICIAL REGISTER. ALL OF THE FOLLOWING SHALL
2 APPLY:

3 (1) THE DEPARTMENT SHALL MAINTAIN A TAX REGISTER ON THE
4 DEPARTMENT'S INTERNET WEBSITE. INFORMATION FOR THE TAX
5 REGISTER SHALL BE FURNISHED BY EACH COUNTY AND EACH POLITICAL
6 SUBDIVISION TO THE DEPARTMENT AS PRESCRIBED BY THE
7 DEPARTMENT. THE DEPARTMENT SHALL CONTINUOUSLY UPDATE THE TAX
8 REGISTER.

9 (2) AS PART OF THE TAX REGISTER UNDER PARAGRAPH (1), THE
10 DEPARTMENT SHALL MAINTAIN AN OFFICIAL REGISTER. THE
11 REQUIREMENT TO MAINTAIN AN OFFICIAL REGISTER IN ACCORDANCE
12 WITH THIS SECTION SHALL SUPERSEDE THE REQUIREMENTS FOR AN
13 OFFICIAL REGISTER IN ANY ACT.

14 (3) THE OFFICIAL REGISTER SHALL BE ORGANIZED BY
15 MUNICIPALITY AND SHALL LIST:

16 (I) EACH MUNICIPALITY AND COTERMINOUS SCHOOL
17 DISTRICT.

18 (II) THE EFFECTIVE INCOME TAX RATE ON TAXPAYERS WHO
19 RESIDE IN THE MUNICIPALITY.

20 (III) THE EFFECTIVE INCOME TAX RATE ON TAXPAYERS WHO
21 RESIDE IN THE SCHOOL DISTRICT.

22 (IV) THE COMBINED MUNICIPAL AND SCHOOL DISTRICT
23 INCOME TAX RATE ON TAXPAYERS RESIDING IN EACH
24 MUNICIPALITY.

25 (V) THE INCOME TAX RATE ON TAXPAYERS WORKING WITHIN
26 THE MUNICIPALITY.

27 (VI) WHETHER AN INCOME TAX IS A PERSONAL INCOME TAX
28 LEVIED UNDER THE HOMEOWNER TAX RELIEF ACT OR ANY OTHER
29 ACT.

30 (VII) THE EFFECTIVE EMERGENCY AND MUNICIPAL SERVICES

1 TAX RATE ON TAXPAYERS WORKING WITHIN THE MUNICIPALITY.

2 (VIII) THE EFFECTIVE EMERGENCY AND MUNICIPAL
3 SERVICES TAX RATE ON TAXPAYERS WORKING WITHIN THE SCHOOL
4 DISTRICT.

5 (IX) THE COMBINED MUNICIPAL AND SCHOOL DISTRICT
6 EMERGENCY AND MUNICIPAL SERVICES TAX RATE.

7 (X) THE AMOUNT OF ANY OTHER WITHHOLDING TAX.

8 (XI) THE NAME, TELEPHONE NUMBER, ADDRESS, E-MAIL AND
9 INTERNET ADDRESS, WHERE AVAILABLE, OF THE TAX OFFICER
10 RESPONSIBLE FOR ADMINISTERING THE COLLECTION OF THE TAX.

11 (XII) ANY OTHER INFORMATION DEEMED NECESSARY BY THE
12 DEPARTMENT.

13 (4) EACH YEAR THE DEPARTMENT SHALL UPDATE AND OFFICIALLY
14 RELEASE WITHHOLDING TAX RATES ON THE OFFICIAL REGISTER ON
15 JUNE 15 AND DECEMBER 15. TAX RATES RELEASED ON JUNE 15 SHALL
16 BECOME EFFECTIVE JULY 1. TAX RATES RELEASED ON DECEMBER 15
17 SHALL BECOME EFFECTIVE JANUARY 1 OF THE FOLLOWING YEAR. THE
18 DEPARTMENT MAY REVISE THE NOTIFICATION, OFFICIAL RELEASE AND
19 EFFECTIVE DATES OF THE REGISTER FOR GOOD CAUSE. SIX MONTHS
20 PRIOR TO THE REVISION, THE DEPARTMENT SHALL NOTIFY EACH
21 AFFECTED POLITICAL SUBDIVISION OF THE REVISION AND SHALL
22 PUBLISH NOTICE OF THE REVISION IN THE PENNSYLVANIA BULLETIN.

23 (5) INFORMATION FOR THE OFFICIAL REGISTER SHALL BE
24 FURNISHED BY EACH POLITICAL SUBDIVISION TO THE DEPARTMENT AS
25 PRESCRIBED BY THE DEPARTMENT AND SHALL INCLUDE A COPY OF THE
26 ORDINANCE OR RESOLUTION ENACTING, REPEALING OR CHANGING THE
27 TAX. THE DEPARTMENT SHALL BE NOTIFIED OF CHANGES TO THE
28 OFFICIAL REGISTER AS FOLLOWS:

29 (I) NEW WITHHOLDING TAX ENACTMENTS, REPEALS AND
30 CHANGES SHALL BE RECEIVED BY THE DEPARTMENT NO LATER THAN

1 JUNE 1 TO REQUIRE WITHHOLDING OF A NEW TAX, WITHHOLDING
2 AT A NEW RATE OR TO SUSPEND WITHHOLDING OF SUCH TAX
3 EFFECTIVE JULY 1 OF THAT YEAR. ALL NEW WITHHOLDING TAX
4 ENACTMENTS, REPEALS AND CHANGES RECEIVED BY THE
5 DEPARTMENT BY JUNE 1 SHALL BE OFFICIALLY RELEASED BY THE
6 DEPARTMENT JUNE 15 AND BECOME EFFECTIVE JULY 1. FAILURE
7 OF THE DEPARTMENT TO RECEIVE INFORMATION BY JUNE 1 FROM
8 POLITICAL SUBDIVISIONS REGARDING CURRENT WITHHOLDING TAX
9 RATES, NEW WITHHOLDING TAX ENACTMENTS, REPEALS AND
10 CHANGES SHALL BE CONSTRUED BY THE DEPARTMENT TO MEAN THAT
11 THE INFORMATION CONTAINED IN THE PREVIOUS DECEMBER 15
12 RELEASE OF THE OFFICIAL REGISTER IS STILL IN FORCE.
13 INFORMATION RECEIVED BY THE DEPARTMENT AFTER JUNE 1 BUT
14 BEFORE DECEMBER 1 SHALL BE OFFICIALLY RELEASED ON
15 DECEMBER 15.

16 (II) NEW WITHHOLDING TAX ENACTMENTS, REPEALS AND
17 CHANGES SHALL BE RECEIVED BY THE DEPARTMENT NO LATER THAN
18 DECEMBER 1 TO REQUIRE WITHHOLDING OF A NEW TAX,
19 WITHHOLDING AT A NEW RATE OR TO SUSPEND WITHHOLDING OF
20 SUCH TAX EFFECTIVE JANUARY 1 OF THE FOLLOWING YEAR. ALL
21 NEW WITHHOLDING TAX ENACTMENTS, REPEALS AND CHANGES
22 RECEIVED BY THE DEPARTMENT BY DECEMBER 1 SHALL BE
23 OFFICIALLY RELEASED BY THE DEPARTMENT ON DECEMBER 15 AND
24 BECOME EFFECTIVE JANUARY 1 OF THE FOLLOWING YEAR. FAILURE
25 OF THE DEPARTMENT TO RECEIVE INFORMATION BY DECEMBER 1
26 FROM POLITICAL SUBDIVISIONS REGARDING CURRENT WITHHOLDING
27 TAX RATES, NEW WITHHOLDING TAX ENACTMENTS, REPEALS AND
28 CHANGES SHALL BE CONSTRUED BY THE DEPARTMENT TO MEAN THAT
29 THE INFORMATION CONTAINED IN THE PREVIOUS JUNE 15 RELEASE
30 OF THE OFFICIAL REGISTER IS STILL IN FORCE. INFORMATION

1 RECEIVED BY THE DEPARTMENT AFTER DECEMBER 1 BUT BEFORE
2 JUNE 1 SHALL BE OFFICIALLY RELEASED ON JUNE 15.

3 (6) EMPLOYERS SHALL NOT BE REQUIRED TO DEDUCT FROM THE
4 COMPENSATION OF THEIR EMPLOYEES OR MAKE REPORTS OF
5 COMPENSATION IN CONNECTION WITH ANY WITHHOLDING TAX THAT IS
6 NOT RELEASED ON THE OFFICIAL REGISTER AS OF JUNE 15 AND
7 DECEMBER 15 OF EACH YEAR AS PROVIDED IN PARAGRAPHS (4) AND
8 (5). NOTWITHSTANDING ANY LAW TO THE CONTRARY, NO POLITICAL
9 SUBDIVISION OR TAX OFFICER MAY REQUIRE ANY EMPLOYER TO DEDUCT
10 A WITHHOLDING TAX AT A RATE OR AMOUNT THAT IS NOT RELEASED ON
11 THE OFFICIAL REGISTER. THE PROVISIONS OF THIS PARAGRAPH SHALL
12 NOT AFFECT THE LIABILITY OF ANY TAXPAYER FOR WITHHOLDING
13 TAXES LAWFULLY IMPOSED UNDER THIS ACT.

14 (7) AN EMPLOYER MAY WITHHOLD AT THE MOST RECENTLY
15 AVAILABLE RATE ON THE TAX REGISTER EVEN IF SUCH RATE IS
16 DIFFERENT THAN THE TAX RATE RELEASED ON THE OFFICIAL REGISTER
17 AS PROVIDED IN PARAGRAPHS (4) AND (5), PROVIDED THAT AN
18 EMPLOYER SHALL NOT BE REQUIRED TO WITHHOLD AT A TAX RATE THAT
19 IS NOT RELEASED ON THE OFFICIAL REGISTER.

20 (8) NO EMPLOYER SHALL BE HELD LIABLE FOR FAILURE TO
21 WITHHOLD AN INCOME TAX FROM AN EMPLOYEE IF THE FAILURE TO
22 WITHHOLD THE INCOME TAX ARISES FROM INCORRECT INFORMATION
23 SUBMITTED BY THE EMPLOYEE AS TO THE EMPLOYEE'S PLACE OF
24 RESIDENCE.

25 (9) NO EMPLOYER SHALL BE HELD LIABLE FOR FAILURE TO
26 WITHHOLD THE EMERGENCY AND MUNICIPAL SERVICES TAX OR FOR THE
27 PAYMENT OF TAX MONEY WITHHELD TO A TAX OFFICER IF THE FAILURE
28 TO WITHHOLD THE TAXES ARISES FROM INCORRECT INFORMATION
29 SUBMITTED BY THE EMPLOYEE AS TO THE EMPLOYEE'S PLACE OF
30 EMPLOYMENT, THE EMPLOYEE'S PRINCIPAL OFFICE OR WHERE THE

1 EMPLOYEE IS PRINCIPALLY EMPLOYED.

2 (B) DEFINITION.--AS USED IN THIS SECTION, NOTWITHSTANDING
3 SECTION 501, THE TERMS "INCOME TAX" AND "WITHHOLDING TAX"
4 INCLUDE A TAX ASSESSED ON THE INCOME OF A TAXPAYER AND LEVIED BY
5 A MUNICIPALITY UNDER THE ACT OF AUGUST 5, 1932 (SP.SESS.,
6 P.L.45, NO.45), REFERRED TO AS THE STERLING ACT.
7 SECTION 512. WITHHOLDING AND REMITTANCE.

8 INCOME TAXES SHALL BE WITHHELD, REMITTED AND DISTRIBUTED AS
9 FOLLOWS:

10 (1) EVERY EMPLOYER HAVING AN OFFICE, FACTORY, WORKSHOP,
11 BRANCH, WAREHOUSE OR OTHER PLACE OF BUSINESS WITHIN A TAX
12 COLLECTION DISTRICT WHO EMPLOYS ONE OR MORE PERSONS, OTHER
13 THAN DOMESTIC SERVANTS, FOR A SALARY, WAGE, COMMISSION OR
14 OTHER COMPENSATION, WHO HAS NOT PREVIOUSLY REGISTERED, SHALL,
15 WITHIN 15 DAYS AFTER BECOMING AN EMPLOYER, REGISTER WITH THE
16 TAX OFFICER THE NAME AND ADDRESS OF THE EMPLOYER AND SUCH
17 OTHER INFORMATION AS THE DEPARTMENT MAY REQUIRE.

18 (2) AN EMPLOYER SHALL REQUIRE EACH NEW EMPLOYEE TO
19 COMPLETE A CERTIFICATE OF RESIDENCY FORM, WHICH SHALL BE AN
20 ADDENDUM TO THE FEDERAL EMPLOYEE'S WITHHOLDING ALLOWANCE
21 CERTIFICATE (FORM W-4). AN EMPLOYER SHALL ALSO REQUIRE ANY
22 EMPLOYEE WHO CHANGES THEIR ADDRESS OR DOMICILE TO COMPLETE A
23 CERTIFICATE OF RESIDENCY FORM. UPON REQUEST, CERTIFICATE OF
24 RESIDENCY FORMS SHALL BE PROVIDED BY THE DEPARTMENT. THE
25 CERTIFICATE OF RESIDENCY FORM SHALL PROVIDE INFORMATION TO
26 HELP IDENTIFY THE POLITICAL SUBDIVISIONS WHERE AN EMPLOYEE
27 LIVES AND WORKS.

28 (3) EVERY EMPLOYER HAVING AN OFFICE, FACTORY, WORKSHOP,
29 BRANCH, WAREHOUSE OR OTHER PLACE OF BUSINESS WITHIN A
30 DISTRICT THAT EMPLOYS ONE OR MORE PERSONS, OTHER THAN

1 DOMESTIC SERVANTS, FOR A SALARY, WAGE, COMMISSION OR OTHER
2 COMPENSATION, SHALL, AT THE TIME OF PAYMENT, DEDUCT FROM THE
3 COMPENSATION DUE EACH EMPLOYEE THE GREATER OF THE EMPLOYEE'S
4 RESIDENT INCOME TAX OR THE EMPLOYEE'S NONRESIDENT INCOME TAX
5 AS RELEASED IN THE OFFICIAL REGISTER UNDER SECTION 511.

6 (4) EXCEPT AS SET FORTH IN PARAGRAPH (5), WITHIN 30 DAYS
7 FOLLOWING THE END OF THE CALENDAR QUARTER, EVERY EMPLOYER
8 SHALL FILE A QUARTERLY RETURN AND PAY TO THE TAX OFFICER THE
9 AMOUNT OF INCOME TAXES DEDUCTED DURING THE PRECEDING CALENDAR
10 QUARTER. THE FORM SHALL SHOW THE NAME, ADDRESS AND SOCIAL
11 SECURITY NUMBER OF EACH EMPLOYEE, THE COMPENSATION OF THE
12 EMPLOYEE DURING THE PRECEDING THREE-MONTH PERIOD, THE INCOME
13 TAX DEDUCTED FROM THE EMPLOYEE, THE POLITICAL SUBDIVISIONS
14 IMPOSING THE INCOME TAX UPON THE EMPLOYEE, THE TOTAL
15 COMPENSATION OF ALL EMPLOYEES DURING THE PRECEDING CALENDAR
16 QUARTER, THE TOTAL INCOME TAX DEDUCTED FROM THE EMPLOYEES AND
17 PAID WITH THE RETURN AND ANY OTHER INFORMATION PRESCRIBED BY
18 THE DEPARTMENT.

19 (5) NOTWITHSTANDING PARAGRAPH (4), THE PROVISIONS OF
20 THIS PARAGRAPH SHALL APPLY IF AN EMPLOYER HAS MORE THAN ONE
21 PLACE OF EMPLOYMENT IN MORE THAN ONE TAX COLLECTION DISTRICT.
22 WITHIN 30 DAYS FOLLOWING THE LAST DAY OF EACH MONTH, THE
23 EMPLOYER MAY FILE THE RETURN REQUIRED BY PARAGRAPH (4) AND
24 PAY THE TOTAL AMOUNT OF INCOME TAXES DEDUCTED FROM EMPLOYEES
25 IN ALL WORK LOCATIONS DURING THE PRECEDING MONTH TO THE TAX
26 OFFICER FOR EITHER THE TAX COLLECTION DISTRICT IN WHICH THE
27 EMPLOYER'S PAYROLL OPERATIONS ARE LOCATED OR AS DETERMINED BY
28 THE DEPARTMENT. THE RETURN AND INCOME TAXES DEDUCTED SHALL BE
29 FILED AND PAID ELECTRONICALLY. THE EMPLOYER MUST FILE A
30 NOTICE OF INTENTION TO FILE COMBINED RETURNS AND MAKE

1 COMBINED PAYMENTS WITH THE TAX OFFICER FOR EACH PLACE OF
2 EMPLOYMENT AT LEAST ONE MONTH BEFORE FILING ITS FIRST
3 COMBINED RETURN OR MAKING ITS FIRST COMBINED PAYMENT. THIS
4 PARAGRAPH SHALL NOT BE CONSTRUED TO CHANGE THE LOCATION OF AN
5 EMPLOYEE'S PLACE OF EMPLOYMENT FOR PURPOSES OF NONRESIDENT
6 INCOME TAX LIABILITY.

7 (6) ANY EMPLOYER WHO FOR TWO OF THE PRECEDING FOUR
8 QUARTERLY PERIODS HAS FAILED TO DEDUCT THE PROPER INCOME TAX,
9 OR ANY PART OF THE INCOME TAX, OR HAS FAILED TO PAY OVER THE
10 PROPER AMOUNT OF INCOME TAX AS REQUIRED BY PARAGRAPH (3) TO
11 THE TAX COLLECTION DISTRICT, MAY BE REQUIRED BY THE TAX
12 OFFICER TO FILE RETURNS AND PAY THE INCOME TAX MONTHLY. IN
13 SUCH CASES, PAYMENTS OF INCOME TAX SHALL BE MADE TO THE TAX
14 OFFICER ON OR BEFORE THE LAST DAY OF THE MONTH SUCCEEDING THE
15 MONTH FOR WHICH THE INCOME TAX WAS WITHHELD.

16 (7) ON OR BEFORE FEBRUARY 28 OF THE SUCCEEDING YEAR,
17 EVERY EMPLOYER SHALL FILE WITH THE TAX OFFICER WHERE INCOME
18 TAXES HAVE BEEN DEDUCTED AND REMITTED PURSUANT TO PARAGRAPH
19 (3):

20 (I) AN ANNUAL RETURN SHOWING, FOR THE PERIOD
21 BEGINNING JANUARY 1 OF THE CURRENT YEAR AND ENDING
22 DECEMBER 31 OF THE CURRENT YEAR, THE TOTAL AMOUNT OF
23 COMPENSATION PAID, THE TOTAL AMOUNT OF INCOME TAX
24 DEDUCTED, THE TOTAL AMOUNT OF INCOME TAX PAID TO THE TAX
25 OFFICER AND ANY OTHER INFORMATION PRESCRIBED BY THE
26 DEPARTMENT.

27 (II) A RETURN WITHHOLDING STATEMENT, WHICH MAY BE
28 INTEGRATED WITH THE FEDERAL WAGE AND TAX STATEMENT (FORM
29 W-2), FOR EACH EMPLOYEE EMPLOYED DURING ALL OR ANY PART
30 OF THE PERIOD BEGINNING JANUARY 1 OF THE CURRENT YEAR AND

ENDING DECEMBER 31 OF THE CURRENT YEAR, SETTING FORTH THE ADDRESS AND SOCIAL SECURITY NUMBER, THE AMOUNT OF COMPENSATION PAID TO THE EMPLOYEE DURING THE PERIOD, THE AMOUNT OF INCOME TAX DEDUCTED, THE AMOUNT OF INCOME TAX PAID TO THE TAX OFFICER, THE NUMERICAL CODE PRESCRIBED BY THE DEPARTMENT REPRESENTING THE TAX COLLECTION DISTRICT WHERE THE PAYMENTS REQUIRED BY PARAGRAPHS (4) AND (5) WERE REMITTED AND ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT. EVERY EMPLOYER SHALL FURNISH ONE COPY OF THE INDIVIDUAL RETURN TO THE EMPLOYEE FOR WHOM IT IS FILED.

(8) ANY EMPLOYER WHO DISCONTINUES BUSINESS PRIOR TO DECEMBER 31 OF THE CURRENT YEAR SHALL, WITHIN 30 DAYS AFTER THE DISCONTINUANCE OF BUSINESS, FILE RETURNS AND WITHHOLDING STATEMENTS REQUIRED UNDER THIS SECTION AND PAY THE INCOME TAX DUE.

(9) EXCEPT AS OTHERWISE PROVIDED IN SECTION 511, AN EMPLOYER WHO WILLFULLY OR NEGLIGENTLY FAILS OR OMITTS TO MAKE THE DEDUCTIONS REQUIRED BY THIS SUBSECTION SHALL BE LIABLE FOR PAYMENT OF INCOME TAXES WHICH THE EMPLOYER WAS REQUIRED TO WITHHOLD TO THE EXTENT THAT THE INCOME TAXES HAVE NOT BEEN RECOVERED FROM THE EMPLOYEE. THE FAILURE OR OMISSION OF ANY EMPLOYER TO MAKE THE DEDUCTIONS REQUIRED BY THIS SECTION SHALL NOT RELIEVE ANY EMPLOYEE FROM THE PAYMENT OF THE INCOME TAX OR FROM COMPLYING WITH THE REQUIREMENTS FOR FILING OF DECLARATIONS AND RETURNS.

SECTION 513. DISTRIBUTION OF INCOME TAXES.

(A) GENERAL RULE.--SUBJECT TO SUBSECTION (B), ALL OF THE FOLLOWING APPLY:

(1) UNLESS OTHERWISE AGREED TO OR REQUIRED BY THE TAX COLLECTION COMMITTEE, DISTRIBUTION OF INCOME TAXES FROM A TAX

1 OFFICER TO POLITICAL SUBDIVISIONS WITHIN THE TAX COLLECTION
2 DISTRICT OR TO OTHER TAX COLLECTION DISTRICTS SHALL BE AS
3 FOLLOWS:

4 (I) INCOME TAXES RECEIVED FROM EMPLOYERS UNDER
5 SECTION 512(4) SHALL BE DISTRIBUTED WITHIN 60 DAYS OF THE
6 LATER OF:

7 (A) RECEIPT; OR

8 (B) THE DEADLINE FOR PAYMENT UNDER SECTION
9 512(4).

10 (II) INCOME TAXES RECEIVED FROM EMPLOYERS UNDER
11 SECTION 512(5) SHALL BE DISTRIBUTED WITHIN 30 DAYS OF THE
12 LAST DAY OF THE MONTH.

13 (III) INCOME TAXES RECEIVED FROM TAXPAYERS AND OTHER
14 TAX COLLECTION DISTRICTS SHALL BE DISTRIBUTED WITHIN 60
15 DAYS OF RECEIPT.

16 (2) A TAX OFFICER SHALL MAINTAIN A RECORD OF ALL INCOME
17 TAXES DISTRIBUTED UNDER THIS SECTION, WHICH SHALL INCLUDE ALL
18 OF THE INFORMATION REQUIRED IN THE REPORTS UNDER SECTION
19 512(4) AND (5), THE DATE OF DISTRIBUTION, THE POLITICAL
20 SUBDIVISION OR TAX OFFICER TO WHICH THE INCOME TAXES ARE
21 DISTRIBUTED AND ANY OTHER INFORMATION REQUIRED BY THE
22 DEPARTMENT. THE RECORD SHALL BE PROVIDED TO ANOTHER TAX
23 COLLECTION DISTRICT AT THE TIME OF DISTRIBUTION.

24 (3) A TAX OFFICER WHO, WITHIN TWO YEARS AFTER RECEIVING
25 AN INCOME TAX PAYMENT, CANNOT IDENTIFY THE POLITICAL
26 SUBDIVISION ENTITLED TO THE INCOME TAX PAYMENT SHALL MAKE
27 PAYMENT TO THE MUNICIPALITY IN WHICH THE INCOME TAX WAS
28 COLLECTED.

29 (B) OTHER TAX COLLECTION DISTRICTS.--IN ADDITION TO
30 SUBSECTION (A), FOR DISTRIBUTION OF INCOME TAXES TO OTHER TAX

1 COLLECTION DISTRICTS, THE FOLLOWING SHALL APPLY:

2 (1) IF NONRESIDENT INCOME TAXES ARE NOT DISTRIBUTED TO
3 THE APPROPRIATE TAX OFFICER AS REQUIRED UNDER SUBSECTION
4 (A)(1), A TAX OFFICER MAY MAKE A CLAIM FOR INCOME TAXES
5 ATTRIBUTABLE TO RESIDENTS OF THE TAX COLLECTION DISTRICT
6 SERVED BY THAT TAX OFFICER. THE TAX OFFICER FOR THE TAX
7 COLLECTION DISTRICT AGAINST WHICH A CLAIM IS MADE SHALL,
8 WITHIN 30 DAYS:

9 (I) PAY THE CLAIM IF IT IS UNDISPUTED; OR

10 (II) RESPOND IN WRITING STATING THE REASONS WHY THE
11 CLAIM CANNOT BE PAID.

12 (2) IF THE TAX OFFICER FOR THE TAX COLLECTION DISTRICT
13 AGAINST WHICH THE CLAIM IS MADE DOES NOT ACT UNDER PARAGRAPH
14 (1)(I) OR (II), THE TAX OFFICER MAKING THE CLAIM MAY BRING AN
15 ACTION IN THE COURT OF COMMON PLEAS IN THE COUNTY IN WHICH
16 THE TAX COLLECTION DISTRICT IS PRIMARILY LOCATED FOR BOTH THE
17 AMOUNT OF THE CLAIM AND INTEREST AT THE RATE PROVIDED FOR IN
18 53 PA.C.S. § 8426 (RELATING TO INTEREST ON OVERPAYMENT) FROM
19 THE DATE WHICH THE INCOME TAXES WERE RECEIVED FROM THE
20 TAXPAYER, EMPLOYER OR OTHER TAX OFFICER. NOTWITHSTANDING ANY
21 OTHER LAW TO THE CONTRARY, AN ACTION UNDER THIS PARAGRAPH
22 MUST BE BROUGHT WITHIN SEVEN YEARS AFTER THE CLAIM IS MADE.

23 (C) CODES.--EMPLOYERS AND TAX OFFICERS SHALL USE POLITICAL
24 SUBDIVISION AND TAX COLLECTION DISTRICT CODES PRESCRIBED BY THE
25 DEPARTMENT.

26 (D) FEE EXEMPTION.--A TAX OFFICER IS NOT REQUIRED TO PAY A
27 FEE OR COMMISSION TO ANOTHER TAX COLLECTION DISTRICT FOR INCOME
28 TAXES DISTRIBUTED UNDER THIS SECTION.

29 SECTION 514. CONFIDENTIALITY.

30 (A) GENERAL RULE.--ANY INFORMATION GAINED BY A TAX OFFICER

1 OR ANY EMPLOYEE OR AGENT OF A TAX OFFICER OR OF THE TAX
2 COLLECTION COMMITTEE AS A RESULT OF ANY DECLARATIONS, RETURNS,
3 INVESTIGATIONS, HEARINGS OR VERIFICATIONS SHALL BE CONFIDENTIAL
4 TAX INFORMATION.

5 (B) PROHIBITED CONDUCT.--IT SHALL BE UNLAWFUL, EXCEPT FOR
6 OFFICIAL PURPOSES OR AS PROVIDED BY LAW, FOR THE COMMONWEALTH,
7 ANY POLITICAL SUBDIVISION, TAX COLLECTION COMMITTEE MEMBER, TAX
8 OFFICER, OR EMPLOYEE OR AGENT OF A TAX OFFICER OR TAX COLLECTION
9 COMMITTEE TO DO ANY OF THE FOLLOWING:

10 (1) DIVULGE OR MAKE KNOWN CONFIDENTIAL TAX INFORMATION.

11 (2) PERMIT CONFIDENTIAL TAX INFORMATION OR A BOOK
12 CONTAINING AN ABSTRACT OR PARTICULARS OF THE ABSTRACT TO BE
13 SEEN OR EXAMINED BY ANY PERSON.

14 (3) PRINT, PUBLISH OR OTHERWISE MAKE KNOWN ANY
15 CONFIDENTIAL TAX INFORMATION.

16 (C) PENALTIES.--A PERSON THAT VIOLATES SUBSECTION (B)
17 COMMITTS A MISDEMEANOR OF THE THIRD DEGREE AND SHALL, UPON
18 CONVICTION, BE SENTENCED TO PAY A FINE OF NOT MORE THAN \$2,500
19 OR TO IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BOTH. IF THE
20 OFFENDER IS A MEMBER OF THE TAX COLLECTION COMMITTEE, THE MEMBER
21 SHALL BE REMOVED FROM THE TAX COLLECTION COMMITTEE. IF THE
22 OFFENDER IS AN EMPLOYEE OF A TAX COLLECTION COMMITTEE OR A
23 POLITICAL SUBDIVISION, THE EMPLOYEE SHALL BE DISCHARGED FROM
24 EMPLOYMENT. THE OFFENDER SHALL PAY THE COSTS OF PROSECUTION.

25 SECTION 515. TRANSITION.

26 (A) FINES AND PENALTIES AGAINST ARTICLE XIII TAX OFFICERS.--

27 (1) A POLITICAL SUBDIVISION WHICH BRINGS AN ACTION UNDER
28 FORMER DIVISION V(H) OF SECTION 13 MAY SEEK EQUITABLE RELIEF
29 FROM AN ARTICLE XIII TAX OFFICER, INCLUDING AN ACCOUNTING OF
30 ALL UNDISTRIBUTED INCOME TAXES AND MONETARY DAMAGES, IN THE

1 FORM OF RECOVERY OF THE INCOME TAXES NOT PREVIOUSLY
2 DISTRIBUTED. IN ADDITION, THE COURT MAY IMPOSE A CIVIL
3 PENALTY NOT TO EXCEED \$2,500 FOR EACH QUARTER FOR WHICH
4 INCOME TAXES WERE NOT DISTRIBUTED IN ACCORDANCE WITH FORMER
5 DIVISION V(H) OF SECTION 13, PLUS REASONABLE COSTS AND
6 ATTORNEY FEES.

7 (2) IF AN ARTICLE XIII TAX OFFICER FAILS TO DISTRIBUTE
8 INCOME TAXES TO THE APPROPRIATE POLITICAL SUBDIVISION AS
9 REQUIRED UNDER FORMER DIVISION V(H) OF SECTION 13 FOR FOUR
10 CONSECUTIVE QUARTERS, THE COURT MAY IMPOSE A CIVIL PENALTY
11 NOT TO EXCEED \$5,000.

12 (3) AN ACTION MAY BE BROUGHT AGAINST THE ARTICLE XIII
13 TAX OFFICER TO COMPEL THE PERFORMANCE OF DUTIES REQUIRED BY
14 CHAPTER 3 OR FORMER SECTION 13 OR IMPOSED BY REGULATIONS
15 ADOPTED PURSUANT TO CHAPTER 5, INCLUDING THE DUTY TO DELIVER
16 ALL TAX RECORDS AND OTHER OFFICIAL ITEMS HELD IN RIGHT AS TAX
17 COLLECTOR TO THE TAX COLLECTOR'S SUCCESSOR. UPON A FINDING OF
18 FAILURE TO PERFORM A DUTY, THE COURT MAY IMPOSE A PENALTY NOT
19 TO EXCEED \$5,000; AND THE TAX COLLECTOR MAY BE HELD LIABLE
20 FOR THE COST OR REPRODUCING TAX RECORDS IF THEY ARE LOST OR
21 CANNOT BE DELIVERED.

22 (4) AN ARTICLE XIII TAX OFFICER WHO VIOLATES ANY OTHER
23 PROVISION OF THIS SECTION OR FORMER SECTION 13 SHALL BE
24 SUBJECT TO A CIVIL PENALTY OF UP TO \$2,500 FOR EACH
25 VIOLATION.

26 (5) AN ACTION AGAINST AN ARTICLE XIII TAX OFFICER FOR A
27 VIOLATION OF THIS ACT MAY BE BROUGHT BY THE ATTORNEY GENERAL,
28 A POLITICAL SUBDIVISION FOR WHICH THE ARTICLE XIII TAX
29 OFFICER COLLECTS INCOME TAXES, A POLITICAL SUBDIVISION OWED
30 INCOME TAXES BY THE ARTICLE XIII TAX OFFICER OR BY A SURETY

1 THAT IS LIABLE BECAUSE OF THE VIOLATION.

2 (6) A POLITICAL SUBDIVISION SHALL REMOVE OR RESCIND THE
3 APPOINTMENT OF AN ARTICLE XIII TAX OFFICER WHO HAS BEEN
4 PENALIZED UNDER PARAGRAPH (1), (2), (3) OR (4) MORE THAN
5 THREE TIMES.

6 (B) TRANSITION PLAN.--BY SEPTEMBER 1, 2008, EACH TAX
7 COLLECTION COMMITTEE SHALL DEVELOP A PLAN TO TRANSITION FROM THE
8 ARTICLE XIII TAX OFFICER TO THE NEWLY APPOINTED TAX OFFICER. THE
9 FOLLOWING SHALL APPLY UNLESS OTHERWISE AGREED TO BY THE
10 POLITICAL SUBDIVISION AND THE ARTICLE XIII TAX OFFICER:

11 (1) EVERY EMPLOYER SHALL REMIT INCOME TAXES WITHHELD FOR
12 THE LAST QUARTER IN 2008, THE QUARTERLY REPORT REQUIRED UNDER
13 THE FORMER DIVISION IV(B) OF SECTION 13 FOR THE LAST QUARTER
14 IN 2008, AND THE ANNUAL REPORT FOR 2008, REQUIRED BY THE
15 FORMER DIVISION IV(C) OF SECTION 13 TO THE ARTICLE XIII TAX
16 OFFICERS.

17 (2) THE ARTICLE XIII TAX OFFICER SHALL:

18 (I) PROCESS 2008 TAX RETURNS, MAKE REFUNDS AND
19 RECONCILE THE ACCOUNTS FOR 2008.

20 (II) TURN OVER ALL TAX RECORDS TO THE POLITICAL
21 SUBDIVISION AND THE NEWLY APPOINTED TAX OFFICER BY JUNE
22 30, 2009.

23 (3) ANY DELINQUENT INCOME TAXES OR REPORTS FROM 2008, OR
24 PREVIOUS YEARS THAT HAVE NOT BEEN REMITTED OR PROVIDED TO THE
25 ARTICLE XIII TAX OFFICER BY JUNE 30, 2009, SHALL BECOME THE
26 RESPONSIBILITY OF AND BE FILED WITH THE NEWLY APPOINTED TAX
27 OFFICER. A POLITICAL SUBDIVISION WHICH HAS MADE OTHER
28 PROVISIONS FOR THE COLLECTION OF DELINQUENT INCOME TAXES OR
29 REPORTS FROM 2008 OR PREVIOUS YEARS SHALL NOTIFY THE NEWLY
30 APPOINTED TAX OFFICER FOR 2009.

(4) EMPLOYERS SHALL REMIT INCOME TAXES WITHHELD AND MAKE
REPORTS AS REQUIRED BY SECTION 512 FOR THE FIRST QUARTER OF
2009 AND THEREAFTER TO THE NEWLY APPOINTED TAX OFFICER.

SECTION 516. REGULATORY CONFLICT.

IN THE EVENT OF A CONFLICT BETWEEN A REGULATION UNDER THIS
CHAPTER AND A REGULATION UNDER THE ACT OF JUNE 27, 2006 (1ST
SP.SESS., P.L. , NO.1), KNOWN AS THE TAXPAYER RELIEF ACT, IN
THE AREA OF TAX COLLECTION, THE REGULATION UNDER THIS CHAPTER
SHALL PREVAIL.

SECTION 23.3. THE ACT IS AMENDED BY ADDING A CHAPTER HEADING
TO READ:

CHAPTER 7

COLLECTION OF DELINQUENT TAXES

SECTION 23.4. THE ACT IS AMENDED BY ADDING A SECTION TO
READ:

SECTION 701. DEFINITIONS.--AS USED IN THIS CHAPTER:

"BUSINESS ENTITY" MEANS A SOLE PROPRIETORSHIP, CORPORATION,
JOINT-STOCK ASSOCIATION OR COMPANY, PARTNERSHIP, LIMITED
PARTNERSHIP, LIMITED LIABILITY COMPANY, ASSOCIATION, BUSINESS
TRUST, SYNDICATE OR OTHER COMMERCIAL OR PROFESSIONAL ACTIVITY
ORGANIZED UNDER THE LAWS OF THIS COMMONWEALTH OR ANY OTHER
JURISDICTION.

"EMPLOYER" MEANS A PERSON, BUSINESS ENTITY OR OTHER ENTITY,
INCLUDING THE COMMONWEALTH, ITS POLITICAL SUBDIVISIONS AND
INSTRUMENTALITIES AND PUBLIC AUTHORITIES, EMPLOYING ONE OR MORE
PERSONS FOR A SALARY, WAGE, COMMISSION OR OTHER COMPENSATION.

"PRIVATE AGENCY" MEANS A PERSON OR BUSINESS ENTITY APPOINTED
AS A TAX COLLECTOR BY A POLITICAL SUBDIVISION.

SECTION 24. SECTION 18 OF THE ACT IS AMENDED TO READ:

SECTION [18] 701.1. DISTRESS AND SALE OF GOODS AND CHATTELS

1 OF TAXPAYER.--EVERY TAX COLLECTOR UNDER CHAPTER 3 AND TAX
2 OFFICER UNDER CHAPTER 5 SHALL HAVE POWER, IN CASE OF THE NEGLECT
3 OR REFUSAL OF ANY PERSON[, COPARTNERSHIP, ASSOCIATION, OR
4 CORPORATION] OR BUSINESS ENTITY, TO MAKE PAYMENT OF THE AMOUNT
5 OF ANY TAX DUE [BY HIM] FROM THE PERSON OR THE BUSINESS ENTITY,
6 AFTER TWO MONTHS FROM THE DATE OF THE TAX NOTICE, TO LEVY THE
7 AMOUNT OF SUCH TAX, ANY PENALTY DUE THEREON AND COSTS, NOT
8 EXCEEDING COSTS AND CHARGES ALLOWED CONSTABLES FOR SIMILAR
9 SERVICES BY DISTRESS AND SALE OF THE GOODS AND CHATTELS OF SUCH
10 DELINQUENT, WHEREVER SITUATE OR FOUND, UPON GIVING AT LEAST TEN
11 DAYS' PUBLIC NOTICE OF SUCH SALE, BY POSTING TEN WRITTEN OR
12 PRINTED NOTICES, AND BY ONE ADVERTISEMENT IN A NEWSPAPER OF
13 GENERAL CIRCULATION PUBLISHED IN THE COUNTY.

14 NO FAILURE TO DEMAND OR COLLECT ANY TAXES BY DISTRESS AND
15 SALE OF GOODS AND CHATTELS SHALL INVALIDATE ANY RETURN MADE, OR
16 LIEN FILED FOR NONPAYMENT OF TAXES, OR ANY TAX SALE FOR THE
17 COLLECTION OF TAXES.

18 SECTION 25. SECTION 19 OF THE ACT, AMENDED OCTOBER 4, 1978
19 (P.L.930, NO.177), IS AMENDED TO READ:

20 SECTION [19] 702. COLLECTION OF DELINQUENT PER CAPITA,
21 OCCUPATION, OCCUPATIONAL PRIVILEGE AND [EARNED] INCOME TAXES
22 FROM EMPLOYERS, ETC.--THE TAX COLLECTOR UNDER CHAPTER 3 AND THE
23 TAX OFFICER UNDER CHAPTER 5 SHALL DEMAND, RECEIVE AND COLLECT
24 FROM ALL [CORPORATIONS, POLITICAL SUBDIVISIONS, ASSOCIATIONS,
25 COMPANIES, FIRMS OR INDIVIDUALS,] EMPLOYERS EMPLOYING PERSONS
26 OWING DELINQUENT PER CAPITA, [OR] OCCUPATION[,] OR OCCUPATIONAL
27 PRIVILEGE [AND EARNED] TAXES UNDER CHAPTER 3 OR INCOME TAXES
28 UNDER CHAPTER 5, OR WHOSE SPOUSE OWES DELINQUENT PER CAPITA,
29 OCCUPATION[,] OR OCCUPATIONAL PRIVILEGE [AND EARNED] TAXES UNDER
30 CHAPTER 3 OR INCOME TAXES UNDER CHAPTER 5, OR HAVING IN

1 POSSESSION UNPAID COMMISSIONS OR EARNINGS BELONGING TO ANY
2 PERSON OR PERSONS OWING DELINQUENT PER CAPITA, OCCUPATION[,] OR
3 OCCUPATIONAL PRIVILEGE [AND EARNED] TAXES UNDER CHAPTER 3 OR
4 INCOME TAXES UNDER CHAPTER 5, OR WHOSE SPOUSE OWES DELINQUENT
5 PER CAPITA, OCCUPATION[,] OR OCCUPATIONAL PRIVILEGE [AND EARNED]
6 TAXES UNDER CHAPTER 3 OR INCOME TAXES UNDER CHAPTER 5, UPON THE
7 PRESENTATION OF A WRITTEN NOTICE AND DEMAND CERTIFYING THAT THE
8 INFORMATION CONTAINED THEREIN IS TRUE AND CORRECT AND CONTAINING
9 THE NAME OF THE TAXABLE OR THE SPOUSE THEREOF AND THE AMOUNT OF
10 TAX DUE. UPON THE PRESENTATION OF SUCH WRITTEN NOTICE AND
11 DEMAND, IT SHALL BE THE DUTY OF ANY [SUCH CORPORATION, POLITICAL
12 SUBDIVISION, ASSOCIATION, COMPANY, FIRM OR INDIVIDUAL] EMPLOYER
13 TO DEDUCT FROM THE WAGES, COMMISSIONS OR EARNINGS OF SUCH
14 INDIVIDUAL EMPLOYEES, THEN OWING OR THAT SHALL WITHIN SIXTY DAYS
15 THEREAFTER BECOME DUE, OR FROM ANY UNPAID COMMISSIONS OR
16 EARNINGS OF ANY SUCH TAXABLE IN [ITS OR HIS] THE EMPLOYER'S
17 POSSESSION, OR THAT SHALL WITHIN SIXTY DAYS THEREAFTER COME INTO
18 [ITS OR HIS] THE EMPLOYER'S POSSESSION, A SUM SUFFICIENT TO PAY
19 THE RESPECTIVE AMOUNT OF THE DELINQUENT [PER CAPITA, OCCUPATION,
20 OCCUPATIONAL PRIVILEGE AND EARNED INCOME] TAXES AND COSTS, SHOWN
21 UPON THE WRITTEN NOTICE OR DEMAND, AND TO PAY THE SAME TO THE
22 TAX COLLECTOR OF THE TAXING DISTRICT OR TO THE TAX OFFICER FOR
23 THE TAX COLLECTION DISTRICT IN WHICH SUCH DELINQUENT TAX WAS
24 LEVIED WITHIN SIXTY DAYS AFTER SUCH NOTICE SHALL HAVE BEEN
25 GIVEN. NO MORE THAN TEN PERCENT OF THE WAGES, COMMISSIONS OR
26 EARNINGS OF THE DELINQUENT TAXPAYER OR SPOUSE THEREOF MAY BE
27 DEDUCTED AT ANY ONE TIME FOR DELINQUENT [PER CAPITA, OCCUPATION,
28 OCCUPATIONAL PRIVILEGE AND EARNED INCOME] TAXES AND COSTS. [SUCH
29 CORPORATION, POLITICAL SUBDIVISION, ASSOCIATION, FIRM OR
30 INDIVIDUAL] THE EMPLOYER SHALL BE ENTITLED TO DEDUCT FROM THE

1 MONEYS COLLECTED FROM EACH EMPLOYE THE COSTS INCURRED FROM THE
2 EXTRA BOOKKEEPING NECESSARY TO RECORD SUCH TRANSACTIONS, NOT
3 EXCEEDING TWO PERCENT OF THE AMOUNT OF MONEY SO COLLECTED AND
4 PAID OVER TO THE TAX COLLECTOR OR TAX OFFICER. UPON THE FAILURE
5 OF ANY [SUCH CORPORATION, POLITICAL SUBDIVISION, ASSOCIATION,
6 COMPANY, FIRM OR INDIVIDUAL] EMPLOYER TO DEDUCT THE AMOUNT OF
7 SUCH TAXES OR TO PAY THE SAME OVER TO THE TAX COLLECTOR OR TAX
8 OFFICER, LESS THE COST OF BOOKKEEPING INVOLVED IN SUCH
9 TRANSACTION, AS HEREIN PROVIDED, WITHIN THE TIME HEREBY
10 REQUIRED, [SUCH CORPORATION, POLITICAL SUBDIVISION, ASSOCIATION,
11 COMPANY, FIRM OR INDIVIDUAL] THE EMPLOYER SHALL FORFEIT AND PAY
12 THE AMOUNT OF SUCH TAX FOR EACH SUCH TAXABLE WHOSE TAXES ARE NOT
13 WITHHELD AND PAID OVER, OR THAT ARE WITHHELD AND NOT PAID OVER
14 TOGETHER WITH A PENALTY OF TEN PERCENT ADDED THERETO, TO BE
15 RECOVERED BY AN ACTION OF ASSUMPSIT IN A SUIT TO BE INSTITUTED
16 BY THE TAX COLLECTOR OR TAX OFFICER, OR BY THE PROPER
17 AUTHORITIES OF THE TAXING DISTRICT OR TAX COLLECTION DISTRICT,
18 AS DEBTS OF LIKE AMOUNT ARE NOW BY LAW RECOVERABLE, EXCEPT THAT
19 SUCH PERSON SHALL NOT HAVE THE BENEFIT OF ANY STAY OF EXECUTION
20 OR EXEMPTION LAW. THE TAX COLLECTOR SHALL NOT PROCEED AGAINST A
21 SPOUSE OR [HIS] THE SPOUSE'S EMPLOYER UNTIL [HE] THE TAX
22 COLLECTOR OR TAX OFFICER HAS PURSUED COLLECTION REMEDIES AGAINST
23 THE DELINQUENT TAXPAYER AND [HIS] THE TAXPAYER'S EMPLOYER UNDER
24 THIS SECTION.

25 SECTION 26. SECTION 20 OF THE ACT IS AMENDED TO READ:

26 SECTION [20] 703. COLLECTION OF DELINQUENT PER CAPITA,
27 OCCUPATION, OCCUPATIONAL PRIVILEGE AND [EARNED] INCOME TAXES
28 FROM THE COMMONWEALTH.--UPON PRESENTATION OF A WRITTEN NOTICE
29 AND DEMAND UNDER OATH OR AFFIRMATION, TO THE STATE TREASURER OR
30 ANY OTHER FISCAL OFFICER OF THE STATE, OR ITS BOARDS,

1 AUTHORITIES, AGENCIES OR COMMISSIONS, IT SHALL BE THE DUTY OF
2 THE TREASURER OR OFFICER TO DEDUCT FROM THE WAGES THEN OWING, OR
3 THAT SHALL WITHIN SIXTY DAYS THEREAFTER BECOME DUE TO ANY
4 EMPLOYE, A SUM SUFFICIENT TO PAY THE RESPECTIVE AMOUNT OF THE
5 DELINQUENT PER CAPITA, OCCUPATION[,] OR OCCUPATIONAL PRIVILEGE
6 [AND EARNED] TAXES UNDER CHAPTER 3 OR INCOME TAXES UNDER CHAPTER
7 5 AND COSTS SHOWN ON THE WRITTEN NOTICE. THE SAME SHALL BE PAID
8 TO THE TAX COLLECTOR OF THE TAXING DISTRICT OR THE TAX OFFICER
9 OF THE TAX COLLECTION DISTRICT IN WHICH SAID DELINQUENT TAX WAS
10 LEVIED WITHIN SIXTY DAYS AFTER SUCH NOTICE SHALL HAVE BEEN
11 GIVEN.

12 SECTION 27. SECTION 20.1 OF THE ACT, ADDED OCTOBER 18, 1975
13 (P.L.425, NO.118), IS AMENDED TO READ:

14 SECTION [20.1] 704. NOTICE.--THE TAX COLLECTOR OR TAX
15 OFFICER SHALL, AT LEAST FIFTEEN DAYS PRIOR TO THE PRESENTATION
16 OF A WRITTEN NOTICE AND DEMAND TO THE STATE TREASURER OR OTHER
17 FISCAL OFFICER OF THE STATE, OR TO ANY [CORPORATION, POLITICAL
18 SUBDIVISION, ASSOCIATION, COMPANY OR INDIVIDUAL] EMPLOYER,
19 NOTIFY THE TAXPAYER OWING THE DELINQUENT TAX BY REGISTERED OR
20 CERTIFIED MAIL THAT A WRITTEN NOTICE AND DEMAND SHALL BE
21 PRESENTED TO [HIS] THE TAXPAYER'S EMPLOYER UNLESS SUCH TAX IS
22 PAID. THE RETURN RECEIPT CARD FOR CERTIFIED OR REGISTERED MAIL
23 SHALL BE MARKED DELIVERED TO ADDRESSEE ONLY, AND THE COST OF
24 NOTIFICATION BY CERTIFIED OR REGISTERED MAIL SHALL BE ADDED TO
25 THE COSTS FOR COLLECTING TAXES.

26 SECTION 28. SECTION 21 OF THE ACT, AMENDED NOVEMBER 30, 2004
27 (P.L.1520, NO.192), IS AMENDED TO READ:

28 SECTION [21] 705. COLLECTION OF TAXES BY SUIT.--EACH TAXING
29 DISTRICT OR PERSON, PUBLIC EMPLOYE OR PRIVATE AGENCY DESIGNATED
30 BY THE TAXING DISTRICT UNDER CHAPTER 3 AND EACH TAX OFFICER

1 UNDER CHAPTER 5 SHALL HAVE POWER TO COLLECT UNPAID TAXES FROM
2 THE PERSONS OWING SUCH TAXES BY SUIT IN ASSUMPSIT OR OTHER
3 APPROPRIATE REMEDY. UPON EACH SUCH JUDGMENT, EXECUTION MAY BE
4 ISSUED WITHOUT ANY STAY OR BENEFIT OF ANY EXEMPTION LAW. THE
5 RIGHT [OF EACH SUCH TAXING DISTRICT] TO COLLECT UNPAID TAXES
6 UNDER THE PROVISIONS OF THIS SECTION SHALL NOT BE AFFECTED BY
7 THE FACT THAT SUCH TAXES HAVE BEEN ENTERED AS LIENS IN THE
8 OFFICE OF THE PROTHONOTARY, OR THE FACT THAT THE PROPERTY
9 AGAINST WHICH THEY WERE LEVIED HAS BEEN RETURNED TO THE COUNTY
10 COMMISSIONERS FOR TAXES FOR PRIOR YEARS.

11 SECTION 29. SECTION 22 OF THE ACT IS AMENDED TO READ:

12 SECTION [22] 706. PENALTIES.--EXCEPT AS OTHERWISE PROVIDED
13 IN THE CASE OF ANY TAX LEVIED AND ASSESSED UPON [EARNED] INCOME,
14 ANY SUCH POLITICAL SUBDIVISION SHALL HAVE POWER TO PRESCRIBE AND
15 ENFORCE REASONABLE PENALTIES FOR THE NONPAYMENT, WITHIN THE TIME
16 FIXED FOR THEIR PAYMENT, OF TAXES IMPOSED UNDER AUTHORITY OF
17 THIS ACT AND FOR THE VIOLATIONS OF THE PROVISIONS OF ORDINANCES
18 OR RESOLUTIONS PASSED UNDER AUTHORITY OF THIS ACT.

19 IF FOR ANY REASON ANY TAX LEVIED AND ASSESSED UPON [EARNED]
20 INCOME BY ANY SUCH POLITICAL SUBDIVISION IS NOT PAID WHEN DUE,
21 INTEREST [AT THE RATE OF SIX PERCENT PER ANNUM ON THE AMOUNT OF
22 SAID TAX, AND AN ADDITIONAL PENALTY OF ONE-HALF OF ONE PERCENT
23 OF THE AMOUNT OF THE UNPAID TAX FOR EACH MONTH OR FRACTION
24 THEREOF DURING WHICH THE TAX REMAINS UNPAID,] AND PENALTIES AS
25 PROVIDED IN SECTION 509(I) SHALL BE ADDED AND COLLECTED. WHEN
26 SUIT IS BROUGHT FOR THE RECOVERY OF ANY SUCH TAX, THE PERSON
27 LIABLE THEREFOR SHALL, IN ADDITION, BE LIABLE FOR THE COSTS OF
28 COLLECTION AND THE INTEREST AND PENALTIES HEREIN IMPOSED.

29 SECTION 30. SECTIONS 22.1, 22.2 AND 22.3 OF THE ACT, ADDED
30 NOVEMBER 30, 2004 (P.L.1520, NO.192), ARE AMENDED TO READ:

1 SECTION [22.1] 707. COSTS OF COLLECTION OF DELINQUENT PER
2 CAPITA, OCCUPATION, OCCUPATIONAL PRIVILEGE AND [EARNED] INCOME
3 TAXES.--(A) A [PERSON, PUBLIC EMPLOYE] BUREAU, POLITICAL
4 SUBDIVISION OR PRIVATE AGENCY DESIGNATED BY A GOVERNING BODY OF
5 A POLITICAL SUBDIVISION OR A TAX COLLECTION DISTRICT TO COLLECT
6 AND ADMINISTER [A] PER CAPITA, OCCUPATION[,] OR OCCUPATIONAL
7 PRIVILEGE TAXES UNDER CHAPTER 3 OR [EARNED INCOME TAX] INCOME
8 TAXES UNDER CHAPTER 5 MAY IMPOSE AND COLLECT THE REASONABLE
9 COSTS INCURRED TO PROVIDE NOTICES OF DELINQUENCY OR TO IMPLEMENT
10 SIMILAR PROCEDURES UTILIZED TO COLLECT DELINQUENT TAXES FROM A
11 TAXPAYER AS APPROVED BY THE GOVERNING BODY OF THE POLITICAL
12 SUBDIVISION OR THE TAX COLLECTION COMMITTEE. REASONABLE COSTS
13 COLLECTED MAY BE RETAINED BY THE [PERSON, PUBLIC EMPLOYE OR
14 PRIVATE AGENCY DESIGNATED TO COLLECT THE TAX AS AGREED TO BY THE
15 GOVERNING BODY OF THE POLITICAL SUBDIVISION] TAX COLLECTOR UNDER
16 CHAPTER 3 OR THE TAX OFFICER UNDER CHAPTER 5. AN ITEMIZED
17 ACCOUNTING OF ALL COSTS COLLECTED SHALL BE REMITTED TO THE
18 POLITICAL SUBDIVISION OR THE TAX COLLECTION COMMITTEE ON AN
19 ANNUAL BASIS.

20 (B) COSTS RELATED TO THE COLLECTION OF UNPAID PER CAPITA,
21 OCCUPATION OR OCCUPATIONAL PRIVILEGE TAXES MAY ONLY BE ASSESSED,
22 LEVIED AND COLLECTED FOR FIVE YEARS FROM THE LAST DAY OF THE
23 CALENDAR YEAR IN WHICH THE TAX WAS DUE.

24 (C) A DELINQUENT TAXPAYER MAY NOT BRING AN ACTION FOR
25 REIMBURSEMENT, REFUND OR ELIMINATION OF REASONABLE COSTS OF
26 COLLECTION ASSESSED OR IMPOSED PRIOR TO THE EFFECTIVE DATE OF
27 THIS SECTION. ADDITIONAL COSTS MAY NOT BE ASSESSED ON DELINQUENT
28 TAXES COLLECTED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.

29 SECTION [22.2] 708. CLARIFICATION OF EXISTING LAW.--THE
30 ADDITION OF SECTION [22.1 OF THIS ACT] 707 IS INTENDED AS A

1 CLARIFICATION OF EXISTING LAW AND IS NOT INTENDED TO:

2 (1) ESTABLISH NEW RIGHTS OR ENLARGE EXISTING RIGHTS OF
3 POLITICAL SUBDIVISIONS OR EMPLOYEES OR AGENTS OF POLITICAL
4 SUBDIVISIONS; OR

5 (2) ESTABLISH NEW OBLIGATIONS OR ENLARGE EXISTING
6 OBLIGATIONS OF TAXPAYERS.

7 [SECTION 22.3. LEGAL REPRESENTATION.--WHEN BRINGING A SUIT
8 UNDER ANY PROVISION OF THIS ACT, THE TAXING DISTRICT, OFFICER,
9 PERSON, PUBLIC EMPLOYEE OR PRIVATE AGENCY DESIGNATED BY THE
10 TAXING DISTRICT SHALL BE REPRESENTED BY AN ATTORNEY.]

11 SECTION 31. SECTIONS 22.4 AND 22.5 OF THE ACT, ADDED
12 DECEMBER 1, 2004 (P.L.1729, NO.222), ARE AMENDED TO READ:

13 [SECTION 22.4. EMERGENCY AND MUNICIPAL SERVICES TAXES.--ANY
14 REFERENCE IN ANY ACT OR LAW TO AN OCCUPATIONAL PRIVILEGE TAX
15 SHALL MEAN THE EMERGENCY AND MUNICIPAL SERVICES TAXES AS
16 PROVIDED FOR IN THIS ACT.

17 SECTION 22.5. RESTRICTED USE.--(A) ANY MUNICIPALITY
18 DERIVING FUNDS FROM THE EMERGENCY AND MUNICIPAL SERVICES TAX MAY
19 ONLY USE THE FUNDS FOR:

20 (1) POLICE, FIRE AND/OR EMERGENCY SERVICES;

21 (2) ROAD CONSTRUCTION AND/OR MAINTENANCE; OR

22 (3) REDUCTION OF PROPERTY TAXES.

23 (B) FOR THE PURPOSE OF THE EMERGENCY AND MUNICIPAL SERVICES
24 TAX, THE TERM MUNICIPALITY DOES NOT INCLUDE A SCHOOL DISTRICT.]

25 SECTION 32. THE ACT IS AMENDED BY ADDING A CHAPTER HEADING
26 TO READ:

27 CHAPTER 52

28 MISCELLANEOUS PROVISIONS

29 SECTION 33. SECTION 23 OF THE ACT IS AMENDED TO READ:

30 SECTION [23] 5201. REPEALS.--THE ACT OF JUNE 25, 1947

1 (P.L.1145), ENTITLED, AS AMENDED, "AN ACT EMPOWERING CITIES OF
2 THE SECOND CLASS, CITIES OF THE SECOND CLASS A, CITIES OF THE
3 THIRD CLASS, BOROUGHES, TOWNS, TOWNSHIPS OF THE FIRST CLASS,
4 TOWNSHIPS OF THE SECOND CLASS, SCHOOL DISTRICTS OF THE SECOND
5 CLASS, SCHOOL DISTRICTS OF THE THIRD CLASS AND SCHOOL DISTRICTS
6 OF THE FOURTH CLASS TO LEVY, ASSESS AND COLLECT OR TO PROVIDE
7 FOR THE LEVYING, ASSESSMENT AND COLLECTION OF CERTAIN ADDITIONAL
8 TAXES SUBJECT TO MAXIMUM LIMITATIONS FOR GENERAL REVENUE
9 PURPOSES; AUTHORIZING THE ESTABLISHMENT OF BUREAUS AND THE
10 APPOINTMENT AND COMPENSATION OF OFFICERS AND EMPLOYES TO ASSESS
11 AND COLLECT SUCH TAXES; AND PERMITTING PENALTIES TO BE IMPOSED
12 AND ENFORCED; PROVIDING AN APPEAL FROM THE ORDINANCE OR
13 RESOLUTION LEVYING SUCH TAXES TO THE COURT OF QUARTER SESSIONS
14 AND TO THE SUPREME COURT AND SUPERIOR COURT," IS REPEALED.

15 ALL OTHER ACTS AND PARTS OF ACTS ARE REPEALED IN SO FAR AS
16 THEY ARE INCONSISTENT HEREWITH.

17 SECTION 34. THE FOLLOWING ACTS AND PARTS OF ACTS ARE
18 REPEALED TO THE EXTENT SPECIFIED:

19 (1) SECTION 224 OF THE ACT OF APRIL 9, 1929 (P.L.177,
20 NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929, INsofar AS
21 IT IS INCONSISTENT WITH THIS ACT.

22 (2) THE ACT OF AUGUST 24, 1961 (P.L.1135, NO.508),
23 REFERRED TO AS THE FIRST CLASS A SCHOOL DISTRICT EARNED
24 INCOME TAX ACT, INsofar AS IT IS INCONSISTENT WITH THIS ACT.

25 (3) SECTIONS 322, 326 AND 5004.1 OF THE ACT OF JUNE 27,
26 2006 (1ST SP.SESS., P.L. , NO.1), KNOWN AS THE TAXPAYER
27 RELIEF ACT, INsofar AS IT IS INCONSISTENT WITH THIS ACT.

28 SECTION 35. THIS ACT SHALL APPLY AS FOLLOWS:

29 (1) THE AMENDMENT OF SECTIONS 10 AND 11 OF THE ACT SHALL
30 NOT APPLY TO AN ARTICLE XIII TAX OFFICER WITH RESPECT TO

1 INCOME TAXES LEVIED BEFORE JANUARY 1, 2009.

2 (2) THE AMENDMENT OF DIVISIONS (II), (III), (IV), (V),
3 (VI), (VII), (VIII) AND (IX) OF SECTION 13 OF THE ACT SHALL
4 NOT APPLY TO INCOME TAXES LEVIED AND COLLECTED PRIOR TO
5 JANUARY 1, 2009.

6 (3) EXCEPT AS SET FORTH IN PARAGRAPH (4) AND SECTION
7 515(B) OF THE ACT, THE ADDITION OF CHAPTER 5 OF THE ACT SHALL
8 APPLY TO INCOME TAXES LEVIED AND COLLECTED AFTER DECEMBER 31,
9 2008.

10 (4) THE ADDITION OF SECTION 511(A)(5) OF THE ACT SHALL
11 APPLY TO THE OFFICIAL REGISTER RELEASED JUNE 15, 2007 AND
12 EACH YEAR THEREAFTER.

13 SECTION 36. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

14 (1) THE AMENDMENT OF SECTION 9 OF THE ACT SHALL TAKE
15 EFFECT MAY 31, 2007.

16 (2) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT ON
17 JANUARY 1, 2009:

18 (I) THE AMENDMENT OF SECTION 10 OF THE ACT.

19 (II) THE AMENDMENT OF SECTION 11 OF THE ACT.

20 (3) THE AMENDMENT OF SECTION 13 OF THE ACT SHALL TAKE
21 EFFECT JUNE 30, 2009.

22 (4) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
23 IMMEDIATELY.