

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1535 Session of
2003

INTRODUCED BY LEWIS, ARMSTRONG, CAPPELLI, CREIGHTON, DALLY,
DENLINGER, ROHRER, SCAVELLO, T. STEVENSON, YOUNGBLOOD AND
YUDICHAK, JUNE 4, 2003

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, DECEMBER 15, 2003

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 ADMINISTRATIVE PERSONNEL FOR THE
23 COLLECTION OF TAXES, for earned income taxes and for
24 collection of taxes by suit; and providing for costs of
25 collection of delinquent per capita, occupation, occupational
26 privilege and earned income taxes.

<—

27 The General Assembly of the Commonwealth of Pennsylvania

28 hereby enacts as follows:

29 ~~Section 1. Section 13V(h) of the act of December 31, 1965~~

<—

1 ~~(P.L.1257, No.511), known as The Local Tax Enabling Act, added~~
2 ~~July 15, 1976 (P.L.1047, No.210), is amended to read:~~

3 SECTION 1. SECTION 10(A) OF THE ACT OF DECEMBER 31, 1965 <—
4 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT, IS
5 AMENDED TO READ:

6 SECTION 10. COLLECTION OF TAXES.--(A) ADMINISTRATIVE
7 PERSONNEL; JOINT AGREEMENTS.--ANY SUCH POLITICAL SUBDIVISION IS
8 HEREBY AUTHORIZED TO PROVIDE BY ORDINANCE OR RESOLUTION FOR THE
9 CREATION OR DESIGNATION OF SUCH BUREAUS OR THE APPOINTMENT AND
10 COMPENSATION OF SUCH OFFICERS, CLERKS, COLLECTORS, PRIVATE
11 AGENCIES OR OTHER PERSON AND OTHER ASSISTANTS AND EMPLOYES,
12 EITHER UNDER EXISTING DEPARTMENTS, OR OTHERWISE AS MAY BE DEEMED
13 NECESSARY, FOR THE ASSESSMENT AND COLLECTION OF TAXES IMPOSED
14 UNDER AUTHORITY OF THIS ACT. EACH ORDINANCE, RESOLUTION OR
15 DESIGNATION UNDER THIS SECTION TO ACT IN THE CAPACITY AND WITH
16 THE AUTHORITY OF A TAX COLLECTOR SHALL CONTINUE IN FORCE WITHOUT
17 ANNUAL REAUTHORIZATION UNLESS OTHERWISE REPEALED OR REVOKED BY
18 THE POLITICAL SUBDIVISION.

19 ANY POLITICAL SUBDIVISIONS IMPOSING TAXES UNDER AUTHORITY OF
20 THIS ACT ARE AUTHORIZED TO MAKE JOINT AGREEMENTS FOR THE
21 COLLECTION OF SUCH TAXES OR ANY OF THEM. THE SAME PERSON OR
22 AGENCY MAY BE EMPLOYED BY TWO OR MORE POLITICAL SUBDIVISIONS TO
23 COLLECT ANY TAXES IMPOSED BY THEM UNDER AUTHORITY OF THIS ACT.

24 * * *

25 SECTION 2. SECTION 13V(H) OF THE ACT, ADDED JULY 15, 1976
26 (P.L.1047, NO.210), IS AMENDED TO READ:

27 Section 13. Earned Income Taxes.--On and after the effective
28 date of this act the remaining provisions of this section shall
29 be included in or construed to be a part of each tax levied and
30 assessed upon earned income by any political subdivision levying

1 and assessing such tax pursuant to this act. The definitions
2 contained in this section shall be exclusive for any tax upon
3 earned income and net profits levied and assessed pursuant to
4 this act, and shall not be altered or changed by any political
5 subdivision levying and assessing such tax.

6 * * *

7 V. Powers and Duties of Officer

8 * * *

9 (h) The officer shall[, at least quarterly,] distribute
10 earned income taxes to the appropriate political subdivisions
11 within thirty days of the end of each quarter. The political
12 subdivisions shall not be required to request the officer to
13 distribute the funds collected but shall at least annually
14 reconcile their receipts with the records of the officer and
15 return to or credit the officer with any overpayment. A
16 political subdivision shall not be required to pay a fee or
17 commission to the other political subdivision or its tax officer
18 for tax revenue distributed under this subsection. If the
19 officer, within one year after receiving a tax payment, cannot
20 identify the taxing jurisdiction entitled to a tax payment, he
21 shall make payment to the municipality in which the tax was
22 collected. [Within one hundred twenty days of the passage of
23 this act, any present accumulated funds that are unclaimed shall
24 be distributed on the same basis.] If earned income taxes are
25 not distributed to the appropriate political subdivision within
26 one year of receipt, the political subdivision may make a
27 written demand on a tax officer or political subdivision for tax
28 revenues collected and attributable to residents of the
29 political subdivision making the demand. If the taxes
30 attributable to residents of the political subdivision making

1 the demand are not paid within thirty days from the date of the
2 demand, the political subdivision or person, public employe or
3 private agency designated by the political subdivision may bring
4 an action in an appropriate court of common pleas in the name of
5 the taxing district for the recovery of taxes not distributed in
6 accordance with this subsection. The action must be brought
7 within seven years of the collection of the taxes.

8 * * *

9 Section ~~2~~ 3. Section 21 of the act is amended to read: <—

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

22 Section ~~3~~ 4. The act is amended by adding a section to read: <—

23 Section 22.1. Costs of Collection of Delinquent Per Capita,
24 Occupation, Occupational Privilege and Earned Income Taxes.--(A) <—
25 A person, public employe or private agency designated by a
26 governing body to collect and administer a per capita,
27 occupation, occupational privilege or earned income tax may
28 assess, levy and collect the reasonable costs incurred to
29 provide notices of delinquency or to implement similar
30 procedures utilized to collect delinquent taxes from a taxpayer.

1 (B) COSTS RELATED TO THE COLLECTION OF UNPAID PER CAPITA, <—
2 OCCUPATION OR OCCUPATIONAL PRIVILEGE TAXES MAY ONLY BE ASSESSED,
3 LEVIED AND COLLECTED FOR FIVE YEARS FROM THE LAST DAY OF THE
4 CALENDAR YEAR IN WHICH THE TAX WAS DUE.

5 Section 4 5. This act shall take effect in 60 days. <—