

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 452

Session of
1981

INTRODUCED BY DeVERTER, ANDERSON, COCHRAN, LEHR, CESSAR, STUBAN,
WASS, PHILLIPS, PITTS, CORNELL, REBER, NAHILL, D. R. WRIGHT,
E. Z. TAYLOR, GAMBLE, GRUPPO AND SIEMINSKI, FEBRUARY 9, 1981

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 9, 1981

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 repealing occupation taxes based on a percentage, millage or
23 flat rate basis, repealing per capita taxes, further
24 providing for credits to and deductions from taxes owed to
25 political subdivisions other than the political subdivision
26 of residence and making editorial changes and repeals.

27 The General Assembly of the Commonwealth of Pennsylvania
28 hereby enacts as follows:

29 Section 1. The introductory paragraph and clauses (4), (9)

1 and (10) of section 2, act of December 31, 1965 (P.L.1257,
2 No.511), known as "The Local Tax Enabling Act," the introductory
3 paragraph amended July 1, 1978 (P.L.592, No.113), are amended,
4 and the section is amended by adding clauses to read:

5 Section 2. Delegation of Taxing Powers and Restrictions
6 Thereon.--The duly constituted authorities of the following
7 political subdivisions, cities of the second class, cities of
8 the second class A, cities of the third class, boroughs, towns,
9 townships of the first class, townships of the second class,
10 school districts of the second class, school districts of the
11 third class, and school districts of the fourth class, in all
12 cases including independent school districts, may, in their
13 discretion, by ordinance or resolution, for general revenue
14 purposes, levy, assess and collect or provide for the levying,
15 assessment and collection of such taxes as they shall determine
16 on persons, transactions, [occupations,] privileges, subjects
17 and personal property within the limits of such political
18 subdivisions, and upon the transfer of real property, or of any
19 interest in real property, situate within the political
20 subdivision levying and assessing the tax, regardless of where
21 the instruments making the transfers are made, executed or
22 delivered or where the actual settlements on such transfer take
23 place. The taxing authority may provide that the transferee
24 shall remain liable for any unpaid realty transfer taxes imposed
25 by virtue of this act. Each local taxing authority may, by
26 ordinance or resolution, exempt any person whose total income
27 from all sources is less than [three thousand two hundred
28 dollars (\$3,200)] five thousand dollars (\$5,000) per annum from
29 the [per capita or similar head tax, occupation tax and
30 occupational privilege] municipal services tax, or earned income

1 tax, or any portion thereof, and may adopt regulations for the
2 processing of claims for exemptions. Such local authorities
3 shall not have authority by virtue of this act:

4 * * *

5 (4) To levy, assess and collect a tax on goods and articles
6 manufactured in such political subdivision or on the by-products
7 of manufacture, or on minerals, timber, natural resources and
8 farm products produced in such political subdivision or on the
9 preparation or processing thereof for use or market, or on any
10 privilege, act or transaction related to the business of
11 manufacturing, the production, preparation or processing of
12 minerals, timber and natural resources, or farm products, by
13 manufacturers, by producers and by farmers with respect to the
14 goods, articles and products of their own manufacture,
15 production or growth, or on any privilege, act or transaction
16 relating to the business of processing by-products of
17 manufacture, or on the transportation, loading, unloading or
18 dumping or storage of such goods, articles, products or by-
19 products; except that local authorities may levy, assess and
20 collect taxes on the [occupation, occupational privilege, per
21 capita and] earned income or net profits or for municipal
22 services of natural persons engaged in the above activities
23 whether doing business as individual proprietorship or as
24 members of partnerships or other associations;

25 * * *

26 (9) To levy, assess or collect any tax on individuals for
27 the privilege of engaging in an occupation [(occupational
28 privilege tax)] except that [such] a municipal services tax may
29 be levied, assessed and collected but only by the [political
30 subdivision] city, borough, town or township of the taxpayer's

1 place of employment.

2 Payment of any [occupational privilege] municipal services
3 tax to any [political subdivision] city, borough, town or
4 township by any person pursuant to an ordinance or resolution
5 passed or adopted under the authority of this act shall be
6 limited to [ten dollars (\$10)] twenty-five dollars (\$25) on each
7 person for each calendar year.

8 The situs of [such] the municipal services tax shall be the
9 place of employment, but, in the event a person is engaged in
10 more than one occupation, or an occupation which requires his
11 working in more than one political subdivision during the
12 calendar year, the priority of claim to collect such
13 [occupational privilege] municipal services tax shall be in the
14 following order: first, the [political subdivision] city,
15 borough, town or township in which a person maintains his
16 principal office or is principally employed; second, the
17 [political subdivision] city, borough, town or township in which
18 the person resides and works, if such a tax is levied by that
19 [political subdivision] city, borough, town or township; third,
20 the [political subdivision] city, borough, town or township in
21 which a person is employed and which imposes the tax nearest in
22 miles to the person's home. The place of employment shall be
23 determined as of the day the taxpayer first becomes subject to
24 the tax during the calendar year.

25 It is the intent of this provision that no person shall pay
26 more than [ten dollars (\$10)] twenty-five dollars (\$25). in any
27 calendar year as [an occupational privilege] a municipal
28 services tax irrespective of the number of [political
29 subdivisions] cities, boroughs, towns or townships within which
30 such person may be employed within any given calendar year.

1 In case of dispute, a tax receipt of the taxing authority for
2 that calendar year declaring that the taxpayer has made prior
3 payment which constitutes prima facie certification of payment
4 to all other [political subdivisions] cities, boroughs, towns or
5 townships.

6 [(10) To levy, assess or collect a tax on admissions to
7 motion picture theatres: Provided, That this limitation (10)
8 shall not apply to cities of the second class.]

9 (11) To levy, assess or collect any tax on occupations using
10 a millage or percentage of any value, a flat rate or any
11 arbitrary value placed on various occupations as a basis for
12 such tax.

13 (12) To levy, assess or collect any per capita or similar
14 head tax.

15 (13) To levy, assess or collect a tax on residential
16 construction.

17 Section 2. Section 8 of the act, amended December 27, 1967
18 (P.L.894, No.404), is amended to read:

19 Section 8. Limitations on Rates of Specific Taxes.--No taxes
20 levied under the provisions of this act shall be levied by any
21 political subdivision on the following subjects exceeding the
22 rates specified in this section:

23 [(1) Per capita, poll or other similar head taxes, ten
24 dollars (\$10).]

25 (2) On each dollar of the whole volume of business
26 transacted by wholesale dealers in goods, wares and merchandise,
27 one mill, by retail dealers in goods, wares and merchandise and
28 by proprietors of restaurants or other places where food, drink
29 and refreshments are served, one and one-half mills; except in
30 cities of the second class, where rates shall not exceed one

1 mill on wholesale dealers and two mills on retail dealers and
2 proprietors. No such tax shall be levied on the dollar volume of
3 business transacted by wholesale and retail dealers derived from
4 the resale of goods, wares and merchandise, taken by any dealer
5 as a trade-in or as part payment for other goods, wares and
6 merchandise, except to the extent that the resale price exceeds
7 the trade-in allowance.

8 (3) On wages, salaries, commissions and other earned income
9 of individuals, one percent for cities, boroughs, towns and
10 townships, and two percent for school districts of the second
11 class, school districts of the third class and school districts
12 of the fourth class including independent school districts,
13 notwithstanding the general provisions of this section relative
14 to rate sharing between political subdivisions.

15 (4) On retail sales involving the transfer of title or
16 possession of tangible personal property, two percent.

17 (5) On the transfer of real property, one percent.

18 (6) On admissions to places of amusement, athletic events
19 and the like, and on motion picture theatres [in cities of the
20 second class], ten percent.

21 [(7) Flat rate occupation taxes not using a millage or
22 percentage as a basis, ten dollars (\$10).]

23 (8) [Occupational privilege taxes, ten dollars (\$10).]
24 Municipal services tax, twenty-five dollars (\$25).

25 Except as otherwise provided in this act, at any time two
26 political subdivisions shall impose any one of the above taxes
27 on the same person, subject, business, transaction or privilege,
28 located within both such political subdivisions, during the same
29 year or part of the same year, under the authority of this act
30 then the tax levied by a political subdivision under the

1 authority of this act shall, during the time such duplication of
2 the tax exists, except as hereinafter otherwise provided, be
3 one-half of the rate, as above limited, and such one-half rate
4 shall become effective by virtue of the requirements of this act
5 from the day such duplication becomes effective without any
6 action on the part of the political subdivision imposing the tax
7 under the authority of this act. When any one of the above taxes
8 has been levied under the provisions of this act by one
9 political subdivision and a subsequent levy is made either for
10 the first time or is revived after a lapse of time by another
11 political subdivision on the same person, subject, business,
12 transaction or privilege at a rate that would make the combined
13 levies exceed the limit allowed by this subdivision, the tax of
14 the second political subdivision shall not become effective
15 until the end of the fiscal year for which the prior tax was
16 levied, unless:

17 (1) Notice indicating its intention to make such levy is
18 given to the first taxing body by the second taxing body as
19 follows: (i) when the notice is given to a school district it
20 shall be given at least forty-five days prior to the last day
21 fixed by law for the levy of its school taxes; (ii) when given
22 to any other political subdivision it shall be prior to the
23 first day of January immediately preceding, or if a last day for
24 the adoption of the budget is fixed by law, at least forty-five
25 days prior to such last day; or

26 (2) Unless the first taxing body shall indicate by
27 appropriate resolution its desire to waive notice requirements
28 in which case the levy of the second taxing body shall become
29 effective on such date as may be agreed upon by the two taxing
30 bodies.

1 It is the intent and purpose of this provision to limit rates
2 of taxes referred to in this section so that the entire burden
3 of one tax on a person, subject, business, transaction or
4 privilege shall not exceed the limitations prescribed in this
5 section: Provided, however, That any two political subdivisions
6 which impose any one of the above taxes, on the same person,
7 subject, business, transaction or privilege during the same year
8 or part of the same year may agree among themselves that,
9 instead of limiting their respective rates to one-half of the
10 maximum rate herein provided, they will impose respectively
11 different rates, the total of which shall not exceed the maximum
12 rate as above permitted.

13 [Notwithstanding the provisions of this section, any city of
14 the second class A may enact a tax upon wages, salaries,
15 commissions and other earned income of individuals resident
16 therein, not exceeding one percent, even though a school
17 district levies a similar tax on the same person provided that
18 the aggregate of both taxes does not exceed two percent.]

19 Section 3. Section 9 of the act, amended December 12, 1968
20 (P.L.1203, No.377), is amended to read:

21 Section 9. Register for Earned Income and [Occupational
22 Privilege] Municipal Services Taxes.--It shall be the duty of
23 the Department of Community Affairs to have available an
24 official continuing register supplemented annually of all earned
25 income and [occupational privilege] municipal services taxes
26 levied under authority of this act. The register and its
27 supplements, hereinafter referred to as the register, shall list
28 such jurisdictions levying earned income and/or [occupational
29 privilege] municipal services taxes, the rate of the tax as
30 stated in the tax levying ordinance or resolution, and the

1 effective rate on resident and nonresident taxpayers, if
2 different from the stated rate because of a coterminous levy,
3 the name and address of the officer responsible for
4 administering the collection of the tax and from whom
5 information, forms for reporting and copies of rules and
6 regulations are available. With each jurisdiction listed, all
7 jurisdictions making coterminous levies shall also be noted and
8 their tax rates shown.

9 Information for the register shall be furnished by the
10 secretary of each taxing body to the Department of Community
11 Affairs in such manner and on such forms as the Department of
12 Community Affairs may prescribe. The information must be
13 received by the Department of Community Affairs by certified
14 mail not later than May 31 of each year to show new tax
15 enactments, repeals and changes. Failure to comply with this
16 date for filing may result in the omission of the levy from the
17 register for that year. Failure of the Department of Community
18 Affairs to receive information of taxes continued without change
19 may be construed by the department to mean that the information
20 contained in the previous register remains in force.

21 The Department of Community Affairs shall have the register
22 with such annual supplements as may be required by new tax
23 enactments, repeals or changes available upon request not later
24 than July 1 of each year. The effective period for each register
25 shall be from July 1 of the year in which it is issued to June
26 30 of the following year.

27 Employers shall not be required by any local ordinance to
28 withhold from the wages, salaries, commissions or other
29 compensation of their employees any tax imposed under the
30 provisions of this act, which is not listed in the register, or

1 make reports of wages, salaries, commissions or other
2 compensation in connection with taxes not so listed: Provided,
3 That if the register is not available by July 1, the register of
4 the previous year shall continue temporarily in effect for an
5 additional period not to exceed one year. The provisions of this
6 section shall not affect the liability of any taxpayer for taxes
7 lawfully imposed under this act.

8 Ordinances or resolutions imposing earned income or
9 [occupational privilege] municipal services taxes under
10 authority of this act may contain provisions requiring employers
11 doing business within the jurisdiction of the political
12 subdivision imposing the tax to withhold the tax from the
13 compensation of those of their employees who are subject to the
14 tax: Provided, That no employer shall be held liable for failure
15 to withhold earned income taxes or for the payment of such
16 withheld tax money to a political subdivision other than the
17 political subdivision entitled to receive such money if such
18 failure to withhold or such incorrect transmittal of withheld
19 taxes arises from incorrect information as to the employee's
20 place of residence submitted by the employee: And provided
21 further, That employers shall not be required by any local
22 ordinance to withhold from compensation for any one of their
23 employees for the [occupational privilege] municipal services tax
24 more than one time in any fiscal period: And provided further,
25 That the [occupational privilege] municipal services tax shall
26 be applicable to employment in the period beginning January 1,
27 of the current year and ending December 31 of the current year,
28 except that taxes imposed for the first time shall become
29 effective from the date specified in the ordinance or
30 resolution, and the tax shall continue in force on a calendar

1 year basis.

2 Section 4. Section 14 of the act, amended October 26, 1972
3 (P.L.1043, No.261), is amended to read:

4 Section 14. Payment of Tax to Other Political Subdivisions
5 or States as Credit or Deduction; Withholding Tax.--Payment of
6 any tax liability accruing on or before December 31, 1981 to any
7 political subdivision pursuant to an ordinance or resolution
8 passed or adopted prior to the effective date of this act shall
9 be credited to and allowed as a deduction from the liability of
10 taxpayers for any like tax respectively on salaries, wages,
11 commissions, other compensation or on net profits of businesses,
12 professions or other activities and for any income tax imposed
13 by any other political subdivision of this Commonwealth under
14 the authority of this act.

15 Payment of any tax liability accruing on or after January 1,
16 1982 on salaries, wages, commissions, other compensation or on
17 net profits of businesses, professions or other activities to a
18 political subdivision from residents thereof pursuant to an
19 ordinance or resolution passed or adopted under the authority of
20 this act shall be credited to and allowed as a deduction from
21 the liability of such person for any like tax respectively on
22 salaries, wages, commissions, other compensation or on net
23 profits of businesses, professions or other activities imposed
24 by any other political subdivisions of this Commonwealth
25 pursuant to the act of August 5, 1932 (Sp.Sess., P.L.45, No.45),
26 entitled, as amended, "An act empowering cities of the first
27 class to levy, assess and collect, or to provide for the
28 levying, assessment and collection of, certain additional taxes
29 for general revenue purposes; authorizing the establishment of
30 bureaus, and the appointment and compensation of officers and

1 employees to assess and collect such taxes; and permitting
2 penalties to be imposed and enforced," referred to as the
3 Sterling Act. However, (1) with respect to persons who are
4 residents of political subdivisions which, on or before the
5 effective date of this amendatory act imposed a tax on salaries,
6 wages, commissions, other compensation or on net profits of
7 businesses, professions or other activities under the authority
8 of this act, the amount credited to and allowed as a deduction
9 from the liability of such persons for a like tax imposed
10 pursuant to the Sterling Act, shall be limited to their
11 applicable tax rate multiplied by the amount determined by
12 multiplying such persons' salaries, wages, commissions, other
13 compensation and net profits of businesses, professions or other
14 activities: for 1982 by one-quarter; for 1983 by one-half; for
15 1984 by three-quarters; and for 1985 and thereafter by the full
16 amount of taxable earnings; and (2) with respect to persons who
17 are residents of political subdivisions which after the
18 effective date of this amendatory act impose a tax on salaries,
19 wages, commissions, other compensation or on net profits of
20 businesses, professions or other activities under the authority
21 of this act, no credit shall be given applicable to the first
22 year of enactment. The amount credited to and allowed as a
23 deduction from the liability of such persons for a like tax
24 imposed pursuant to the Sterling Act beginning with the second
25 year shall be limited to their applicable tax rate multiplied by
26 the amount determined by multiplying such persons' salaries,
27 wages, commissions, other compensation and net profits of
28 businesses, professions, or other activities: for the second
29 year the tax is imposed by one-quarter; for the third year the
30 tax is imposed by one-half; for the fourth year the tax is

1 imposed by three-quarters; and for the fifth and subsequent
2 years the tax is imposed by the full amount of taxable earnings.

3 Payment of any tax on salaries, wages, commissions, other
4 compensation or on net profits of business, professions or other
5 activities to a political subdivision by residents thereof
6 pursuant to an ordinance or resolution passed or adopted under
7 the authority of this act shall be credited to and allowed as a
8 deduction from the liability of such persons for any other like
9 tax respectively on salaries, wages, commissions, other
10 compensation or on net profits of businesses, professions or
11 other activities imposed by any other political subdivision of
12 this Commonwealth under the authority of this act.

13 Payment of any tax on income to any political subdivision by
14 residents thereof pursuant to an ordinance or resolution passed
15 or adopted under the authority of this act shall, to the extent
16 that such income includes salaries, wages, commissions, other
17 compensation or net profits of businesses, professions or other
18 activities, but in such proportion as hereinafter set forth, be
19 credited to and allowed as a deduction from the liability of
20 such persons for any other tax on salaries, wages, commissions,
21 other compensation or on net profits of businesses, professions,
22 or other activities imposed by any other political subdivision
23 of this Commonwealth under the authority of this act.

24 Payment of any tax on income to any state or to any political
25 subdivision thereof by residents thereof, pursuant to any State
26 or local law, may, at the discretion of the Pennsylvania
27 political subdivision imposing such tax, to the extent that such
28 income includes salaries, wages, commissions, or other
29 compensation or net profits of businesses, professions or other
30 activities but in such proportions as hereinafter set forth, be

1 credited to and allowed as a deduction from the liability of
2 such person for any other tax on salaries, wages, commissions,
3 other compensation or net profits of businesses, professions or
4 other activities imposed by any political subdivision of this
5 Commonwealth under the authority of this act, if residents of
6 the political subdivision in Pennsylvania received credits and
7 deductions of a similar kind to a like degree from the tax on
8 income imposed by the other state or political subdivision
9 thereof.

10 Payment of any tax on income to any State other than
11 Pennsylvania or to any political subdivision located outside the
12 boundaries of this Commonwealth, by residents of a political
13 subdivision located in Pennsylvania shall, to the extent that
14 such 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.

22 Where a credit or a deduction is allowable in any of the
23 several cases hereinabove provided, it shall be allowed in
24 proportion to the concurrent periods for which taxes are imposed
25 by the other state or respective political subdivisions, but not
26 in excess of the amount previously paid for a concurrent period.

27 No credit or deduction shall be allowed against any tax on
28 earned income imposed under authority of this act to the extent
29 of the amount of credit or deduction taken for the same period
30 by the taxpayer against any income tax imposed by the

1 Commonwealth of Pennsylvania under section 314 of the act of
2 March 4, 1971 (P.L.6, No.2) known as the "Tax Reform Code of
3 1971," on account of taxes imposed on income by other states or
4 by their political subdivisions.

5 Section 5. Section 17 of the act is amended to read:

6 Section 17. Tax Limitations.--(a) Over-all Limit of Tax
7 Revenues.--The aggregate amount of all taxes imposed by any
8 political subdivision under this section and in effect during
9 any fiscal year shall not exceed an amount equal to the product
10 obtained by multiplying the latest total market valuation of
11 real estate in such political subdivision, as determined by the
12 board for the assessment and revision of taxes or any similar
13 board established by the assessment laws which determines market
14 values of real estate within the political subdivision, by
15 [twelve] eighteen mills. In school districts of the second
16 class, third class and fourth class and in any political
17 subdivision within a county where no market values of real
18 estate have been determined by the board for the assessment and
19 revision of taxes, or any similar board, the aggregate amount of
20 all taxes imposed under this section and in effect during any
21 fiscal year shall not exceed an amount equal to the product
22 obtained by multiplying the latest total market valuation of
23 real estate in such school district, or other political
24 subdivision, as certified by the State Tax Equalization Board,
25 by [twelve] eighteen mills. In school districts of the third and
26 fourth class, taxes imposed on sales involving the transfer of
27 real property shall not be included in computing the aggregate
28 amount of taxes for any fiscal year in which one hundred or more
29 new homes or other major improvements on real estate were
30 constructed in the school district.

1 The aggregate amount of all taxes imposed by any independent
2 school district under this section during any fiscal year shall
3 not exceed an amount equal to the product obtained by
4 multiplying the latest total valuation of real estate in such
5 district by [fifteen] eighteen mills.

6 (b) Reduction of Rates Where Taxes Exceed Limitations; Use
7 of Excess Moneys.--If, during any fiscal year, it shall appear
8 that the aggregate revenues from taxes levied and collected
9 under the authority of this act will materially exceed the
10 limitations imposed by this act, the political subdivision shall
11 forthwith reduce the rate or rates of such tax or taxes to stay
12 within such limitations as nearly as may be. Any one or more
13 persons liable for the payment of taxes levied and collected
14 under the authority of this act shall have the right to complain
15 to the court of common pleas of the county in an action of
16 mandamus to compel compliance with the preceding provision of
17 this subsection. Tax moneys levied and collected in any fiscal
18 year in excess of the limitations imposed by this act shall not
19 be expended during such year, but shall be deposited in a
20 separate account in the treasury of the political subdivision
21 for expenditure in the following fiscal year. The rates of taxes
22 imposed under this act for the following fiscal year shall be so
23 fixed that the revenues thereby produced, together with the
24 excess tax moneys on deposit as aforesaid, shall not exceed the
25 limitations imposed by this act.

26 During the first and each subsequent calendar or fiscal year
27 for which local earned income tax rates are increased, any
28 political subdivision may raise the rate of its earned income
29 tax provided that such political subdivision simultaneously
30 reduces or eliminates another tax or taxes so that the total of

all other taxes collected by the taxing district are reduced by at least ninety percent of the estimated increase in collection attributable to the increased earned income tax rate. Any time any tax is lowered pursuant to this paragraph such rate shall not be thereafter raised for a period of two years and shall not again equal the former rate for a period of seven years unless the political subdivision shall have submitted such tax rate for the approval of the electorate in accordance with the procedures provided by law for the approval of the incurring of indebtedness referendum.

Section 6. Section 19 of the act, amended October 4, 1978 (P.L.930, No.177), is amended to read:

Section 19. Collection of Delinquent [Per Capita, Occupation, Occupational Privilege and] Earned Income and Municipal Services Taxes from Employers, etc.--The tax collector shall demand, receive and collect from all corporations, political subdivisions, associations, companies, firms or individuals, employing persons owing delinquent [per capita, or occupation, occupational privilege and] earned income and municipal services taxes, or whose spouse owes delinquent [per capita, occupation, occupational privilege and] earned income and municipal services taxes, or having in possession unpaid commissions or earnings belonging to any person or persons owing delinquent [per capita, occupation, occupational privilege and] earned income and municipal services taxes, or whose spouse owes delinquent [per capita, occupation, occupational privilege and] earned income and municipal services taxes, upon the presentation of a written notice and demand certifying that the information contained therein is true and correct and containing the name of the taxable or the spouse thereof and the amount of

1 tax due. Upon the presentation of such written notice and
2 demand, it shall be the duty of any such corporation, political
3 subdivision, association, company, firm or individual to deduct
4 from the wages, commissions or earnings of such individual
5 employes, then owing or that shall within sixty days thereafter
6 become due, or from any unpaid commissions or earnings of any
7 such taxable in its or his possession, or that shall within
8 sixty days thereafter come into its or his possession, a sum
9 sufficient to pay the respective amount of the delinquent [per
10 capita, occupation, occupational privilege and] earned income
11 and municipal services taxes and costs, shown upon the written
12 notice or demand, and to pay the same to the tax collector of
13 the taxing district in which such delinquent tax was levied
14 within sixty days after such notice shall have been given. No
15 more than ten percent of the wages, commissions or earnings of
16 the delinquent taxpayer or spouse thereof may be deducted at any
17 one time for delinquent [per capita, occupation, occupational
18 privilege and] earned income and municipal services taxes and
19 costs. Such corporation, political subdivision, association,
20 firm or individual shall be entitled to deduct from the moneys
21 collected from each employe the costs incurred from the extra
22 bookkeeping necessary to record such transactions, not exceeding
23 two percent of the amount of money so collected and paid over to
24 the tax collector. Upon the failure of any such corporation,
25 political subdivision, association, company, firm or individual
26 to deduct the amount of such taxes or to pay the same over to
27 the tax collector, less the cost of bookkeeping involved in such
28 transaction, as herein provided, within the time hereby
29 required, such corporation, political subdivision, association,
30 company, firm or individual shall forfeit and pay the amount of

1 such tax for each such taxable whose taxes are not withheld and
2 paid over, or that are withheld and not paid over together with
3 a penalty of ten percent added thereto, to be recovered by an
4 action of assumpsit in a suit to be instituted by the tax
5 collector, or by the proper authorities of the taxing district,
6 as debts of like amount are now by law recoverable, except that
7 such person shall not have the benefit of any stay of execution
8 or exemption law. The tax collector shall not proceed against a
9 spouse or his employer until he has pursued collection remedies
10 against the delinquent taxpayer and his employer under this
11 section.

12 Section 7. Section 20 of the act is amended to read:

13 Section 20. Collection of Delinquent [Per Capita,
14 Occupation, Occupational Privilege and] Earned Income and
15 Municipal Services Taxes from the Commonwealth.--Upon
16 presentation of a written notice and demand under oath or
17 affirmation, to the State Treasurer or any other fiscal officer
18 of the State, or its boards, authorities, agencies or
19 commissions, it shall be the duty of the treasurer or officer to
20 deduct from the wages then owing, or that shall within sixty
21 days thereafter become due to any employe, a sum sufficient to
22 pay the respective amount of the delinquent [per capita,
23 occupation, occupational privilege and] earned income and
24 municipal services taxes and costs shown on the written notice.
25 The same shall be paid to the tax collector of the taxing
26 district in which said delinquent tax was levied within sixty
27 days after such notice shall have been given.

28 Section 8. During the first year after enactment of this
29 act, the credit added by section 14 of the act shall be
30 applicable only to residents of political subdivisions which

1 previously levied the earned income tax.

2 Section 9. (a) The following acts or parts of acts, their
3 amendments and supplements, are repealed insofar as they relate
4 to the levy, assessment and collection of per capita, residence
5 or occupation taxes:

6 Section 2531, act of June 23, 1931 (P.L.932, No.317),
7 reenacted June 28, 1951 (P.L.662, No.164), known as "The Third
8 Class City Code."

9 Section 1709, act of June 24, 1931 (P.L.1206, No.331),
10 reenacted May 27, 1949 (P.L.1955, No.569), known as "The First
11 Class Township Code."

12 Act of June 26, 1931 (P.L.1379, No.348), entitled, as
13 amended, "An act creating in counties of the second A and third
14 class a board for the assessment and revision of taxes;
15 providing for the appointment of the members of such board by
16 the county commissioners; providing for their salaries, payable
17 by the county; abolishing existing boards; defining the powers
18 and duties of such board; regulating the assessment of persons,
19 property, and occupations for county, borough, town, township,
20 school, and poor purposes; authorizing the appointment of
21 subordinate assessors, a solicitor, engineers, and clerks;
22 providing for their compensation, payable by such counties;
23 abolishing the office of ward, borough, and township assessors,
24 so far as the making of assessments and valuations for taxation
25 is concerned; and providing for the acceptance of this act by
26 cities."

27 Section 905, act of May 1, 1933 (P.L.103, No.69), reenacted
28 July 10, 1947 (P.L.1481, No.567), known as "The Second Class
29 Township Code."

30 Subsection (b) of section 201, section 202 and Articles IV

1 and V, act of May 22, 1933 (P.L.853, No.155), known as "The
2 General County Assessment Law."

3 Act of June 21, 1939 (P.L.626, No.294), entitled "An act
4 providing for and regulating the assessment and valuation of all
5 subjects of taxation in counties of the second class; creating
6 and prescribing the powers and duties of a Board of Property
7 Assessment, Appeals and Review; imposing duties on certain
8 county and city officers; abolishing the board for the
9 assessment and revision of taxes in such counties; and
10 prescribing penalties."

11 Subsection (b) of section 201, subsection (d) of section 202
12 and Articles VI and VII, act of May 21, 1943 (P.L.571, No.254),
13 known as "The Fourth to Eighth Class County Assessment Law."

14 Sections 20, 20.1 and 21, act of May 25, 1945 (P.L.1050,
15 No.394), known as the "Local Tax Collection Law."

16 Sections 675, 676, 677, 679 and 680, act of March 9, 1949
17 (P.L.30, No.14), known as the "Public School Code of 1949."

18 Act of July 19, 1951 (P.L.1026, No.216), entitled, as
19 amended, "An act authorizing political subdivisions, other than
20 cities of the first and second classes and school districts of
21 the first class and first class A, to appoint and pay the
22 compensation of employes to make an assessment list of all
23 inhabitants or residents thereof over eighteen years of age, for
24 taxation purposes."

25 Section 1970, act of July 28, 1953 (P.L.723, No.230), known
26 as the "Second Class County Code."

27 Section 1770, act of August 9, 1955 (P.L.323, No.130), known
28 as "The County Code."

29 Section 1302, act of February 1, 1966 (1965 P.L.1656,
30 No.581), known as "The Borough Code."

1 (b) All acts and parts of acts are repealed insofar as they
2 are inconsistent herewith.

3 Section 10. This act shall take effect January 1, 1982 for
4 political subdivisions operating on a calendar year basis, and
5 on the first day of the fiscal year beginning in the calendar
6 year 1982 for political subdivisions operating on a fiscal year
7 basis.