

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 283

Session of  
1983

INTRODUCED BY LASHINGER, J. L. WRIGHT, REBER, MADIGAN, PRATT AND  
CAWLEY, FEBRUARY 16, 1983

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 16, 1983

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 of the act of December 31, 1965 (P.L.1257,  
2 No.511), known as The Local Tax Enabling Act, the introductory  
3 paragraph amended November 26, 1982 (P.L.763, No.217), are  
4 amended and clauses are added 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 five thousand dollars (\$5,000) per  
28 annum from the [per capita or similar head tax, occupation tax  
29 and occupational privilege] municipal services tax, or earned  
30 income tax, or any portion thereof, and may adopt regulations

1 for the processing of claims for exemptions. Such local  
2 authorities shall not have authority by virtue of this act:

3 \* \* \*

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

24 \* \* \*

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

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

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

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

30 In case of dispute, a tax receipt of the taxing authority for

1 that calendar year declaring that the taxpayer has made prior  
2 payment which constitutes prima facie certification of payment  
3 to all other [political subdivisions] cities, boroughs, towns or  
4 townships.

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

8 \* \* \*

9 (12) 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 (13) To levy, assess or collect any per capita or similar  
14 head tax.

15 Section 2. Section 8 of the act, amended December 27, 1967  
16 (P.L.984, No.404), is amended to read:

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

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

23 (2) On each dollar of the whole volume of business  
24 transacted by wholesale dealers in goods, wares and merchandise,  
25 one mill, by retail dealers in goods, wares and merchandise and  
26 by proprietors of restaurants or other places where food, drink  
27 and refreshments are served, one and one-half mills; except in  
28 cities of the second class, where rates shall not exceed one  
29 mill on wholesale dealers and two mills on retail dealers and  
30 proprietors. No such tax shall be levied on the dollar volume of

1 business transacted by wholesale and retail dealers derived from  
2 the resale of goods, wares and merchandise, taken by any dealer  
3 as a trade-in or as part payment for other goods, wares and  
4 merchandise, except to the extent that the resale price exceeds  
5 the trade-in allowance.

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

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

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

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

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

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

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

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

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

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

29 It is the intent and purpose of this provision to limit rates  
30 of taxes referred to in this section so that the entire burden

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

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

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

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



1 the name and address of the officer responsible for  
2 administering the collection of the tax and from whom  
3 information, forms for reporting and copies of rules and  
4 regulations are available. With each jurisdiction listed, all  
5 jurisdictions making coterminous levies shall also be noted and  
6 their tax rates shown.

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

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

25 Employers shall not be required by any local ordinance to  
26 withhold from the wages, salaries, commissions or other  
27 compensation of their employes any tax imposed under the  
28 provisions of this act, which is not listed in the register, or  
29 make reports of wages, salaries, commissions or other  
30 compensation in connection with taxes not so listed: Provided,

1 That if the register is not available by July 1, the register of  
2 the previous year shall continue temporarily in effect for an  
3 additional period not to exceed one year. The provisions of this  
4 section shall not affect the liability of any taxpayer for taxes  
5 lawfully imposed under this act.

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

30 Section 4. Section 14 of the act, amended October 26, 1972

1 (P.L.1043, No.261), is amended to read:

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

12 Payment of any tax on salaries, wages, commissions, other  
13 compensation or on net profits of business, professions or other  
14 activities to a political subdivision by residents thereof  
15 pursuant to an ordinance or resolution passed or adopted under  
16 the authority of this act shall be credited to and allowed as a  
17 deduction from the liability of such persons for any other like  
18 tax respectively on salaries, wages, commissions, other  
19 compensation or on net profits of businesses, professions or  
20 other activities imposed by any other political subdivision of  
21 this Commonwealth under the authority of this act.

22 [Payment] Fifty percent of any tax paid on income to any  
23 political subdivision by residents thereof pursuant to an  
24 ordinance or resolution passed or adopted under the authority of  
25 this act shall, to the extent that such income includes  
26 salaries, wages, commissions, other compensation or net profits  
27 of businesses, professions or other activities, but in such  
28 proportion as hereinafter set forth, be credited to and allowed  
29 as a deduction from the liability of such persons for any other  
30 tax on salaries, wages, commissions, other compensation or on

1 net profits of businesses, professions, or other activities  
2 imposed by any other political subdivision of this Commonwealth  
3 under the authority of [this act.] the act of August 5, 1932  
4 (Sp.Sess., P.L.45, No.45), entitled, as amended, "An act  
5 empowering cities of the first class to levy, assess and  
6 collect, or to provide for the levying, assessment and  
7 collection of, certain additional taxes for general revenue  
8 purposes; authorizing the establishment of bureaus, and the  
9 appointment and compensation of officers and employes to assess  
10 and collect such taxes; and permitting penalties to be imposed  
11 and enforced."

12 Payment of any tax on income to any state or to any political  
13 subdivision thereof by residents thereof, pursuant to any State  
14 or local law, may, at the discretion of the Pennsylvania  
15 political subdivision imposing such tax, to the extent that such  
16 income includes salaries, wages, commissions, or other  
17 compensation or net profits of businesses, professions or other  
18 activities but in such proportions as hereinafter set forth, be  
19 credited to and allowed as a deduction from the liability of  
20 such person for any other tax on salaries, wages, commissions,  
21 other compensation or net profits of businesses, professions or  
22 other activities imposed by any political subdivision of this  
23 Commonwealth under the authority of this act, if residents of  
24 the political subdivision in Pennsylvania receive credits and  
25 deductions of a similar kind to a like degree from the tax on  
26 income imposed by the other state or political subdivision  
27 thereof.

28 Payment of any tax on income to any State other than  
29 Pennsylvania or to any political subdivision located outside the  
30 boundaries of this Commonwealth, by residents of a political

1 subdivision located in Pennsylvania shall, to the extent that  
2 such income includes salaries, wages, commissions, or other  
3 compensation or net profits of businesses, professions or other  
4 activities but in such proportions as hereinafter set forth, be  
5 credited to and allowed as a deduction from the liability of  
6 such person for any other tax on salaries, wages, commissions,  
7 other compensation or net profits of businesses, professions or  
8 other activities imposed by any political subdivision of this  
9 Commonwealth under the authority of this act.

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

15 No credit or deduction shall be allowed against any tax on  
16 earned income imposed under authority of this act to the extent  
17 of the amount of credit or deduction taken for the same period  
18 by the taxpayer against any income tax imposed by the  
19 Commonwealth of Pennsylvania under section 314 of the act of  
20 March 4, 1971 (P.L.6, No.2) known as the "Tax Reform Code of  
21 1971," on account of taxes imposed on income by other states or  
22 by their political subdivisions.

23 In the case of tax paid on income to any state other than  
24 Pennsylvania or to any political subdivision located outside the  
25 boundaries of the Commonwealth by residents of a political  
26 subdivision located in Pennsylvania, the credit provided in this  
27 section shall not exceed the proportion of the income tax  
28 otherwise due that the amount of the taxpayer's income subject  
29 to tax by the other jurisdiction bears to his entire taxable  
30 income.

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

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

27 The aggregate amount of all taxes imposed by any independent  
28 school district under this section during any fiscal year shall  
29 not exceed an amount equal to the product obtained by  
30 multiplying the latest total valuation of real estate in such

1 district by [fifteen] eighteen mills.

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

22 During the first and each subsequent calendar or fiscal year  
23 for which local earned income tax rates are increased, any  
24 political subdivision may raise the rate of its earned income  
25 tax provided that such political subdivision simultaneously  
26 reduces or eliminates another tax or taxes so that the total of  
27 all other taxes collected by the taxing district are reduced by  
28 at least ninety percent of the estimated increase in collection  
29 attributable to the increased earned income tax rate. Any time  
30 any tax rate is lowered pursuant to this paragraph such rate

1 shall not be thereafter raised for a period of two years and  
2 shall not again equal the former rate for a period of seven  
3 years unless the political subdivision shall have submitted such  
4 tax rate for the approval of the electorate in accordance with  
5 the procedures provided by law for the approval of the incurring  
6 of indebtedness by referendum.

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

9 Section 19. Collection of Delinquent [Per Capita,  
10 Occupation, Occupational Privilege and] Earned Income and  
11 Municipal Services Taxes from Employers, etc.--The tax collector  
12 shall demand, receive and collect from all corporations,  
13 political subdivisions, associations, companies, firms or  
14 individuals, employing persons owing delinquent [per capita, or  
15 occupation, occupational privilege and] earned income and  
16 municipal services taxes, or whose spouse owes delinquent [per  
17 capita, occupation, occupational privilege and] earned income  
18 and municipal services taxes, or having in possession unpaid  
19 commissions or earnings belonging to any person or persons owing  
20 delinquent [per capita, occupation, occupational privilege and]  
21 earned income and municipal services taxes, or whose spouse owes  
22 delinquent [per capita, occupation, occupational privilege and]  
23 earned income and municipal services taxes, upon the  
24 presentation of a written notice and demand certifying that the  
25 information contained therein is true and correct and containing  
26 the name of the taxable or the spouse thereof and the amount of  
27 tax due. Upon the presentation of such written notice and  
28 demand, it shall be the duty of any such corporation, political  
29 subdivision, association, company, firm or individual to deduct  
30 from the wages, commissions or earnings of such individual



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

1 collector, or by the proper authorities of the taxing district,  
2 as debts of like amount are now by law recoverable, except that  
3 such person shall not have the benefit of any stay of execution  
4 or exemption law. The tax collector shall not proceed against a  
5 spouse or his employer until he has pursued collection remedies  
6 against the delinquent taxpayer and his employer under this  
7 section.

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

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

24 Section 8. During the first year after enactment of this  
25 act, the credit added by section 14 of the act shall be  
26 applicable only to residents of political subdivisions which  
27 previously levied the earned income tax.

28 Section 9. (a) The following acts or parts of acts, their  
29 amendments and supplements, are repealed insofar as they relate  
30 to the levy, assessment and collection of per capita, residence

1 or occupation taxes:

2 Section 2531 of the act of June 23, 1931 (P.L.932, No.317),  
3 reenacted and amended June 28, 1951 (P.L.662, No.164), known as  
4 The Third Class City Code.

5 Section 1709 of the act of June 24, 1931 (P.L.1206, No.331),  
6 reenacted and amended May 27, 1949 (P.L.1955, No.569), known as  
7 The First Class Township Code.

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

23 Section 905 of the act of May 1, 1933 (P.L.103, No.69),  
24 reenacted and amended July 10, 1947 (P.L.1481, No.567), known as  
25 The Second Class Township Code.

26 Sections 201(b) and 202 and Articles IV and V of the act of  
27 May 22, 1933 (P.L.853, No.155), known as The General County  
28 Assessment Law.

29 Act of June 21, 1939 (P.L.626, No.294), entitled "An act  
30 providing for and regulating the assessment and valuation of all

1 subjects of taxation in counties of the second class; creating  
2 and prescribing the powers and duties of a Board of Property  
3 Assessment, Appeals and Review; imposing duties on certain  
4 county and city officers; abolishing the board for the  
5 assessment and revision of taxes in such counties; and  
6 prescribing penalties."

7 Sections 201(b) and 202(d) and Articles VI and VII of the act  
8 of May 21, 1943 (P.L.571, No.254), known as The Fourth to Eighth  
9 Class County Assessment Law.

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

12 Sections 675, 676, 677, 679 and 680 of the act of March 10,  
13 1949 (P.L.30, No.14), known as the Public School Code of 1949.

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

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

23 Section 1770 of the act of August 9, 1955 (P.L.323, No.130),  
24 known as The County Code.

25 Section 1302 of the act of February 1, 1966 (1965 P.L.1656,  
26 No.581), known as The Borough Code.

27 (b) All acts and parts of acts are repealed insofar as they  
28 are inconsistent with this act.

29 Section 10. This act shall take effect January 1, 1984 for  
30 political subdivisions operating on a calendar year basis, and

1 on the first day of the fiscal year beginning in the calendar  
2 year 1984 for political subdivisions operating on a fiscal year  
3 basis.