

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 341

Session of
1987

INTRODUCED BY LASHINGER, TRELLO, HERMAN, BUNT AND HECKLER,
FEBRUARY 23, 1987

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 23, 1987

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 against and deductions from taxes owed
25 to political subdivisions other than the political
26 subdivision of residence and for tax limitations; and making
27 editorial changes and repeals.

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

30 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, amended October
3 11, 1984 (P.L.885, No.172), are amended and the section is
4 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 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 (13) 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 (14) To levy, assess or collect any per capita or similar
14 head tax.

15 Section 2. Section 8 of the act, amended October 11, 1984
16 (P.L.885, No.172), 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 (9) On admissions to ski facilities, ten percent. The tax
24 base upon which the tax shall be levied shall not exceed forty
25 percent of the cost of the lift ticket. The lift ticket shall
26 include all costs of admissions to the ski facility.

27 (10) On admissions to golf courses, ten percent. The tax
28 base upon which the tax shall be levied shall not exceed forty
29 percent of the greens fee. The greens fee shall include all
30 costs of admissions to the golf course.

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

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

1 days prior to such last day; or

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

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

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

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

27 Section 9. Register for Earned Income and [Occupational
28 Privilege] Municipal Services Taxes.--It shall be the duty of
29 the Department of Community Affairs to have available an
30 official continuing register supplemented annually of all earned

1 income and [occupational privilege] municipal services taxes
2 levied under authority of this act. The register and its
3 supplements, hereinafter referred to as the register, shall list
4 such jurisdictions levying earned income and/or [occupational
5 privilege] municipal services taxes, the rate of the tax as
6 stated in the tax levying ordinance or resolution, and the
7 effective rate on resident and nonresident taxpayers, if
8 different from the stated rate because of a coterminous levy,
9 the name and address of the officer responsible for
10 administering the collection of the tax and from whom
11 information, forms for reporting and copies of rules and
12 regulations are available. With each jurisdiction listed, all
13 jurisdictions making coterminous levies shall also be noted and
14 their tax rates shown.

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

27 The Department of Community Affairs shall have the register
28 with such annual supplements as may be required by new tax
29 enactments, repeals or changes available upon request not later
30 than July 1 of each year. The effective period for each register

1 shall be from July 1 of the year in which it is issued to June
2 30 of the following year.

3 Employers shall not be required by any local ordinance to
4 withhold from the wages, salaries, commissions or other
5 compensation of their employees any tax imposed under the
6 provisions of this act, which is not listed in the register, or
7 make reports of wages, salaries, commissions or other
8 compensation in connection with taxes not so listed: Provided,
9 That if the register is not available by July 1, the register of
10 the previous year shall continue temporarily in effect for an
11 additional period not to exceed one year. The provisions of this
12 section shall not affect the liability of any taxpayer for taxes
13 lawfully imposed under this act.

14 Ordinances or resolutions imposing earned income or
15 [occupational privilege] municipal services taxes under
16 authority of this act may contain provisions requiring employers
17 doing business within the jurisdiction of the political
18 subdivision imposing the tax to withhold the tax from the
19 compensation of those of their employees who are subject to the
20 tax: Provided, That no employer shall be held liable for failure
21 to withhold earned income taxes or for the payment of such
22 withheld tax money to a political subdivision other than the
23 political subdivision entitled to receive such money if such
24 failure to withhold or such incorrect transmittal of withheld
25 taxes arises from incorrect information as to the employee's
26 place of residence submitted by the employee: And provided
27 further, That employers shall not be required by any local
28 ordinance to withhold from compensation for any one of their
29 employees for the [occupational privilege] municipal services tax
30 more than one time in any fiscal period: And provided further,

1 That the [occupational privilege] municipal services tax shall
2 be applicable to employment in the period beginning January 1,
3 of the current year and ending December 31 of the current year,
4 except that taxes imposed for the first time shall become
5 effective from the date specified in the ordinance or
6 resolution, and the tax shall continue in force on a calendar
7 year basis.

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

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

20 Payment of any tax on salaries, wages, commissions, other
21 compensation or on net profits of business, professions or other
22 activities to a political subdivision by residents thereof
23 pursuant to an ordinance or resolution passed or adopted under
24 the authority of this act shall be credited to and allowed as a
25 deduction from the liability of such persons for any other like
26 tax respectively on salaries, wages, commissions, other
27 compensation or on net profits of businesses, professions or
28 other activities imposed by any other political subdivision of
29 this Commonwealth under the authority of this act.

30 [Payment] Fifty percent of any tax paid on income to any

1 political subdivision by residents thereof pursuant to an
2 ordinance or resolution passed or adopted under the authority of
3 this act shall, to the extent that such income includes
4 salaries, wages, commissions, other compensation or net profits
5 of businesses, professions or other activities, but in such
6 proportion as hereinafter set forth, be credited to and allowed
7 as a deduction from the liability of such persons for any other
8 tax on salaries, wages, commissions, other compensation or on
9 net profits of businesses, professions, or other activities
10 imposed by any other political subdivision of this Commonwealth
11 under the authority of [this act.] the act of August 5, 1932
12 (Sp.Sess., P.L.45, No.45), entitled, as amended, "An act
13 empowering cities of the first class to levy, assess and
14 collect, or to provide for the levying, assessment and
15 collection of, certain additional taxes for general revenue
16 purposes; authorizing the establishment of bureaus, and the
17 appointment and compensation of officers and employes to assess
18 and collect such taxes; and permitting penalties to be imposed
19 and enforced."

20 Payment of any tax on income to any state or to any political
21 subdivision thereof by residents thereof, pursuant to any State
22 or local law, may, at the discretion of the Pennsylvania
23 political subdivision imposing such tax, to the extent that such
24 income includes salaries, wages, commissions, or other
25 compensation or net profits of businesses, professions or other
26 activities but in such proportions as hereinafter set forth, be
27 credited to and allowed as a deduction from the liability of
28 such person for any other tax on salaries, wages, commissions,
29 other compensation or net profits of businesses, professions or
30 other activities imposed by any political subdivision of this

1 Commonwealth under the authority of this act, if residents of
2 the political subdivision in Pennsylvania receive credits and
3 deductions of a similar kind to a like degree from the tax on
4 income imposed by the other state or political subdivision
5 thereof.

6 Payment of any tax on income to any State other than
7 Pennsylvania or to any political subdivision located outside the
8 boundaries of this Commonwealth, by residents of a political
9 subdivision located in Pennsylvania shall, to the extent that
10 such income includes salaries, wages, commissions, or other
11 compensation or net profits of businesses, professions or other
12 activities but in such proportions as hereinafter set forth, be
13 credited to and allowed as a deduction from the liability of
14 such person for any other tax on salaries, wages, commissions,
15 other compensation or net profits of businesses, professions or
16 other activities imposed by any political subdivision of this
17 Commonwealth under the authority of this act.

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

23 No credit or deduction shall be allowed against any tax on
24 earned income imposed under authority of this act to the extent
25 of the amount of credit or deduction taken for the same period
26 by the taxpayer against any income tax imposed by the
27 Commonwealth of Pennsylvania under section 314 of the act of
28 March 4, 1971 (P.L.6, No.2) known as the "Tax Reform Code of
29 1971," on account of taxes imposed on income by other states or
30 by their political subdivisions.

1 In the case of tax paid on income to any state other than
2 Pennsylvania or to any political subdivision located outside the
3 boundaries of this Commonwealth by residents of a political
4 subdivision located in Pennsylvania, the credit provided in this
5 section shall not exceed the proportion of the income tax
6 otherwise due that the amount of the taxpayer's income subject
7 to tax by the other jurisdiction bears to his entire taxable
8 income.

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

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

1 real property shall not be included in computing the aggregate
2 amount of taxes for any fiscal year in which one hundred or more
3 new homes or other major improvements on real estate were
4 constructed in the school district.

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

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

30 During the first and each subsequent calendar or fiscal year

1 for which local earned income tax rates are increased, any
2 political subdivision may raise the rate of its earned income
3 tax provided that such political subdivision simultaneously
4 reduces or eliminates another tax or taxes so that the total of
5 all other taxes collected by the taxing district are reduced by
6 at least ninety percent of the estimated increase in collection
7 attributable to the increased earned income tax rate. Any time
8 any tax rate is lowered pursuant to this paragraph such rate
9 shall not be thereafter raised for a period of two years and
10 shall not again equal the former rate for a period of seven
11 years unless the political subdivision shall have submitted such
12 tax rate for the approval of the electorate in accordance with
13 the procedures provided by law for the approval of the incurring
14 of indebtedness by referendum.

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

17 Section 19. Collection of Delinquent [Per Capita,
18 Occupation, Occupational Privilege and] Earned Income and
19 Municipal Services Taxes from Employers, etc.--The tax collector
20 shall demand, receive and collect from all corporations,
21 political subdivisions, associations, companies, firms or
22 individuals, employing persons owing delinquent [per capita, or
23 occupation, occupational privilege and] earned income and
24 municipal services taxes, or whose spouse owes delinquent [per
25 capita, occupation, occupational privilege and] earned income
26 and municipal services taxes, or having in possession unpaid
27 commissions or earnings belonging to any person or persons owing
28 delinquent [per capita, occupation, occupational privilege and]
29 earned income and municipal services taxes, or whose spouse owes
30 delinquent [per capita, occupation, occupational privilege and]

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

1 the tax collector, less the cost of bookkeeping involved in such
2 transaction, as herein provided, within the time hereby
3 required, such corporation, political subdivision, association,
4 company, firm or individual shall forfeit and pay the amount of
5 such tax for each such taxable whose taxes are not withheld and
6 paid over, or that are withheld and not paid over together with
7 a penalty of ten percent added thereto, to be recovered by an
8 action of assumpsit in a suit to be instituted by the tax
9 collector, or by the proper authorities of the taxing district,
10 as debts of like amount are now by law recoverable, except that
11 such person shall not have the benefit of any stay of execution
12 or exemption law. The tax collector shall not proceed against a
13 spouse or his employer until he has pursued collection remedies
14 against the delinquent taxpayer and his employer under this
15 section.

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

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

1 days after such notice shall have been given.

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

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

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

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

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

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

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

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

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

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

20 Sections 675, 676, 677, 679 and 680 of the act of March 10,
21 1949 (P.L.30, No.14), known as the Public School Code of 1949.

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

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

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

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

5 (b) All other acts and parts of acts are repealed insofar as
6 they are inconsistent with this act.

7 Section 10. This act shall take effect January 1, 1988, for
8 political subdivisions operating on a calendar year basis, and
9 on the first day of the fiscal year beginning in the calendar
10 year 1988 for political subdivisions operating on a fiscal year
11 basis.