

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2112 Session of
1995

INTRODUCED BY BROWNE, FAIRCHILD, FICHTER, ROONEY, ARMSTRONG,
MELIO, NAILOR, HENNESSEY, TRELLO, STEELMAN, LEH, STEIL,
MICOZZIE, E. Z. TAYLOR, CLYMER, GEIST, BUNT, ADOLPH, ITKIN,
MAITLAND AND SEMMEL, OCTOBER 18, 1995

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, OCTOBER 18, 1995

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),
2 entitled "An act empowering cities of the second class,
3 cities of the second class A, cities of the third class,
4 boroughs, towns, townships of the first class, townships of
5 the second class, school districts of the second class,
6 school districts of the third class and school districts of
7 the fourth class including independent school districts, to
8 levy, assess, collect or to provide for the levying,
9 assessment and collection of certain taxes subject to maximum
10 limitations for general revenue purposes; authorizing the
11 establishment of bureaus and the appointment and compensation
12 of officers, agencies and employes to assess and collect such
13 taxes; providing for joint collection of certain taxes,
14 prescribing certain definitions and other provisions for
15 taxes levied and assessed upon earned income, providing for
16 annual audits and for collection of delinquent taxes, and
17 permitting and requiring penalties to be imposed and
18 enforced, including penalties for disclosure of confidential
19 information, providing an appeal from the ordinance or
20 resolution levying such taxes to the court of quarter
21 sessions and to the Supreme Court and Superior Court,"
22 further defining "earned income" to authorize the
23 establishment of a separate class of income for old-age or
24 retirement benefit plans.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. The definition of "earned income" in section 13
28 of the act of December 31, 1965 (P.L.1257, No.511), known as The

1 Local Tax Enabling Act, is amended to read:

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

11 I. Definitions

12 * * *

13 "Earned income." Salaries, wages, commissions, bonuses,
14 incentive payments, fees, tips and other compensation received
15 by a person or his personal representative for services
16 rendered, whether directly or through an agent, and whether in
17 cash or in property; not including, however, wages or
18 compensation paid to persons on active military service,
19 periodic payments for sickness and disability other than regular
20 wages received during a period of sickness, disability or
21 retirement or payments arising under workmen's compensation
22 acts, occupational disease acts and similar legislation, or
23 payments commonly recognized as old age benefits, retirement pay
24 or pensions paid to persons retired from service after reaching
25 a specific age or after a stated period of employment: Provided,
26 That at the discretion of the local authority through ordinance
27 or resolution, the definition of earned income may be amended to
28 adopt the separate class of income for old age and retirement
29 benefits as provided in sections 301(a) and 303(a)(9) of the act
30 of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of

1 1971," or payments commonly known as public assistance, or
2 unemployment compensation payments made by any governmental
3 agency or payments to reimburse expenses or payments made by
4 employers or labor unions for wage and salary supplemental
5 programs, including, but not limited to, programs covering
6 hospitalization, sickness, disability or death, supplemental
7 unemployment benefits, strike benefits, social security and
8 retirement.

9 * * *

10 Section 2. This act shall take effect January 1, 1997.