

AMENDMENTS TO HOUSE BILL NO. 245

Sponsor: SENATOR GORDNER

Printer's No. 3951

1 Amend Bill, page 1, line 25, by inserting after

2 "limitations;"

3 in optional occupational tax elimination, further providing for
4 income tax rate limits;

5 Amend Bill, page 6, by inserting between lines 18 and 19

6 Section 3.1. Section 404(a) of the act, added October 15,
7 2008 (P.L.1615, No.130), is amended and the section is amended
8 by adding a subsection to read:

9 Section 404. Income tax rate limits.

10 (a) Income tax rate limits.--For the first fiscal year
11 beginning after approval of the referendum under section 407,
12 and each fiscal year thereafter, the governing body of a
13 political subdivision using the procedures authorized by this
14 chapter shall be authorized to impose an income tax at a rate
15 not exceeding the maximum income tax rate as calculated under
16 subsection (b) [or], (b.1) or (b.2).

17 * * *

18 (b.2) Calculation of maximum tax rate.--The maximum income
19 tax rate for a school district that levied an occupation tax for
20 the fiscal year ending in 2016, or a municipality that levied an
21 occupation tax for the calendar year ending December 31, 2015,
22 shall be determined by taking the sum of the rates calculated
23 under paragraphs (1) and (2) and limited by paragraph (3):

24 (1) The rate of the income tax that would have resulted
25 in the collection by the political subdivision of an amount
26 equal to the amount collected from the occupation tax. The
27 calculation by a school district under this paragraph shall
28 be made using actual revenue collections for the fiscal year
29 ending immediately prior to the year in which the resolution
30 is adopted under section 406. The calculation by a
31 municipality under this paragraph shall be made using actual
32 revenue collections for the calendar year ending immediately
33 prior to the year in which the resolution is adopted under
34 section 406.

35 (2) The rate at which the income tax was collected by a
36 school district for the fiscal year ending immediately prior
37 to the year in which the resolution is adopted under section

406 or the rate at which an earned income tax was collected
by a municipality for the calendar year ending immediately
prior to the year in which the resolution is adopted under
section 406.

(3) The tax rate determined under paragraphs (1) and (2)
shall be rounded off to the nearest increment of 0.1%.
The maximum rate of the income tax calculated under this
subsection shall not be subject to the limits on the earned
income tax specified under section 311(3).

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