

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1818 Session of  
1985

INTRODUCED BY BRANDT, TRELLO, A. C. FOSTER, JR., STUBAN, MERRY,  
GREENWOOD, SCHULER, BARLEY, HONAMAN, JACKSON, SCHEETZ,  
SEMMELE, DISTLER, LASHINGER, TIGUE, PRESSMANN, E. Z. TAYLOR,  
HERSHEY, AFFLERBACH, BATTISTO, PICCOLA AND MANMILLER,  
OCTOBER 21, 1985

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 21, 1985

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 employees 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 providing for public hearings prior to adoption of a tax  
23 ordinance; removing certain tax rate limitations; and  
24 requiring a public hearing prior to wage tax rate hikes.

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

27 Section 1. Section 4 of the act of December 31, 1965

1 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended  
2 October 9, 1967 (P.L.361, No.160), is amended to read:

3 Section 4. Advertisement of Intention to Adopt Tax Ordinance  
4 or Resolution; Public Hearing.--[Prior] Sixty days prior to the  
5 passage of any ordinance or the adoption of any resolution  
6 imposing a tax or license fee under the authority hereunder  
7 granted or changing the rates at which such taxes or fees are  
8 levied, such political subdivision shall:

9 (1) give notice of the intention to pass such ordinance or  
10 adopt such resolution; and

11 (2) shall hold a public hearing on the merits of same. Such  
12 notice shall be given in addition to all other notices required  
13 by law to be given and shall set forth the substantial nature  
14 [of the] and rate of:

15 (i) any tax or license fee to be imposed, or eliminated; or

16 (ii) any existing tax or fee where the rate is to be  
17 increased or decreased by the proposed ordinance or resolution,  
18 the reason which, in the judgment of the officials of the  
19 subdivision, necessitates the imposition or elimination of the  
20 tax or fee or change in rate of said tax or fee, and the amount  
21 of revenue estimated to be derived from the tax or fee or change  
22 in rates or taxes levied. Publication of such notice which shall  
23 also include the date, time and location of the public hearing  
24 shall be made by advertisement once a week for three weeks in a  
25 newspaper of general circulation within such political  
26 subdivision if there is such newspaper and, if there is not,  
27 then such publication shall be made in a newspaper of general  
28 circulation within the county in which the advertising political  
29 subdivision is located.

30 Every such tax shall continue in force on a calendar or

1 fiscal year basis, as the case may be, without annual  
2 reenactment unless the rate of the tax is subsequently changed.

3 Section 2. Section 8 of the act, amended October 11, 1984  
4 (P.L.885, No.172), is amended to read:

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

9 (1) Per capita, poll or other similar head taxes, ten  
10 dollars (\$10).

11 (2) On each dollar of the whole volume of business  
12 transacted by wholesale dealers in goods, wares and merchandise,  
13 one mill, by retail dealers in goods, wares and merchandise and  
14 by proprietors of restaurants or other places where food, drink  
15 and refreshments are served, one and one-half mills; except in  
16 cities of the second class, where rates shall not exceed one  
17 mill on wholesale dealers and two mills on retail dealers and  
18 proprietors. No such tax shall be levied on the dollar volume of  
19 business transacted by wholesale and retail dealers derived from  
20 the resale of goods, wares and merchandise, taken by any dealer  
21 as a trade-in or as part payment for other goods, wares and  
22 merchandise, except to the extent that the resale price exceeds  
23 the trade-in allowance.

24 (3) On wages, salaries, commissions and other earned income  
25 of individuals, [one percent] no limit.

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

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

29 (6) On admissions to places of amusement, athletic events  
30 and the like, and on motion picture theatres in cities of the

1 second class, ten percent.

2 (7) Flat rate occupation taxes not using a millage or  
3 percentage as a basis, ten dollars (\$10).

4 (8) Occupational privilege taxes, ten dollars (\$10).

5 (9) On admissions to ski facilities, ten percent. The tax  
6 base upon which the tax shall be levied shall not exceed forty  
7 percent of the cost of the lift ticket. The lift ticket shall  
8 include all costs of admissions to the ski facility.

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

13 Except as otherwise provided in this act, at any time two  
14 political subdivisions shall impose any one of the above taxes  
15 on the same person, subject, business, transaction or privilege,  
16 located within both such political subdivisions, during the same  
17 year or part of the same year, under the authority of this act  
18 then the tax levied by a political subdivision under the  
19 authority of this act shall, during the time such duplication of  
20 the tax exists, except as hereinafter otherwise provided, be  
21 one-half of the rate, as above limited, and such one-half rate  
22 shall become effective by virtue of the requirements of this act  
23 from the day such duplication becomes effective without any  
24 action on the part of the political subdivision imposing the tax  
25 under the authority of this act. When any one of the above taxes  
26 has been levied under the provisions of this act by one  
27 political subdivision and a subsequent levy is made either for  
28 the first time or is revived after a lapse of time by another  
29 political subdivision on the same person, subject, business,  
30 transaction or privilege at a rate that would make the combined

1 levies exceed the limit allowed by this subdivision, the tax of  
2 the second political subdivision shall not become effective  
3 until the end of the fiscal year for which the prior tax was  
4 levied, unless:

5 (1) Notice indicating its intention to make such levy is  
6 given to the first taxing body by the second taxing body as  
7 follows: (i) when the notice is given to a school district it  
8 shall be given at least forty-five days prior to the last day  
9 fixed by law for the levy of its school taxes; (ii) when given  
10 to any other political subdivision it shall be prior to the  
11 first day of January immediately preceding, or if a last day for  
12 the adoption of the budget is fixed by law, at least forty-five  
13 days prior to such last day; or

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

19 It is the intent and purpose of this provision to limit rates  
20 of taxes referred to in this section so that the entire burden  
21 of one tax on a person, subject, business, transaction or  
22 privilege shall not exceed the limitations prescribed in this  
23 section: Provided, however, That any two political subdivisions  
24 which impose any one of the above taxes, on the same person,  
25 subject, business, transaction or privilege during the same year  
26 or part of the same year may agree among themselves that,  
27 instead of limiting their respective rates to one-half of the  
28 maximum rate herein provided, they will impose respectively  
29 different rates, the total of which shall not exceed the maximum  
30 rate as above permitted.

1       Notwithstanding the provisions of this section, any city of  
2       the second class A may enact a tax upon wages, salaries,  
3       commissions and other earned income of individuals resident  
4       therein, not exceeding one percent, even though a school  
5       district levies a similar tax on the same person provided that  
6       the aggregate of both taxes does not exceed two percent.

7       Section 3. This act shall take effect in 60 days.