

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1997 Session of  
1989

INTRODUCED BY PETRONE, OLASZ, ITKIN, PISTELLA, ROBINSON,  
GIGLIOTTI, COWELL, PRESTON, MURPHY AND McNALLY,  
OCTOBER 16, 1989

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 16, 1989

AN ACT

1 Amending the act of August 24, 1961 (P.L.1135, No.508), entitled  
2 "An act imposing a tax for general public school purposes in  
3 school districts of the first class A on salaries, wages,  
4 commissions and other compensation earned by residents  
5 thereof, and on the net profits earned from businesses,  
6 professions or other activities conducted by residents  
7 thereof; providing for its levy and collection; requiring the  
8 filing of declarations and returns and the giving of  
9 information by employers and by those subject to the tax;  
10 imposing on employers the duty of collecting the tax at  
11 source; conferring and imposing powers and duties on boards  
12 of public education and school treasurers in such districts;  
13 providing for the administration and enforcement of the act  
14 and imposing penalties for violation thereof," further  
15 providing for powers and duties of treasurer and for interest  
16 and penalties.

17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

19 Section 1. Section 5(e) of the act of August 24, 1961  
20 (P.L.1135, No.508), referred to as the First Class A School  
21 District Earned Income Tax Act, is amended to read:

22 Section 5. Powers and Duties of Treasurer.--\* \* \*

23 (e) Any person aggrieved by any action of the treasurer  
24 concerning an issue related to taxes levied under this act must

1 initially request a treasurer's hearing under regulations  
2 promulgated by the treasurer. A person aggrieved by the decision  
3 at the treasurer's hearing shall have the right of appeal [as  
4 provided by law.] under 2 Pa.C.S. Ch. 7 Subch. B (relating to  
5 judicial review of local agency action).

6 \* \* \*

7 Section 2. Section 7 of the act, amended June 10, 1982  
8 (P.L.456, No.134), is amended to read:

9 Section 7. Interest and Penalties.--If for any reason the  
10 tax imposed by this act or any other tax imposed on a person's  
11 earnings by school districts of the first class A is not paid  
12 when due, interest at the rate of six per centum per annum on  
13 the amount of said taxes or interest at a per annum rate which  
14 does not exceed the Federal Reserve Discount Rate in effect for  
15 Federal Reserve District Four on December 1 of the preceding tax  
16 year, whichever is greater, and [an additional] a penalty of  
17 [five per centum] one-half of one per centum of the amount of  
18 the unpaid taxes for each month or fraction thereof during which  
19 the taxes remain unpaid, shall be added and collected[:]. If,  
20 however, a person or an employer does not make required  
21 deductions and remittance of tax money under section 4 of this  
22 act, that person shall be subject to, in lieu of the penalty  
23 amount under this section and in addition to the interest amount  
24 under this section, an additional penalty of five per centum of  
25 the amount of the unpaid taxes for each month or fraction  
26 thereof during which the taxes remain unpaid, and this amount  
27 shall be added and collected: Provided, That the additional  
28 penalty imposed herein shall not exceed fifty per centum of the  
29 unpaid taxes. A school district shall, on or before December 31,  
30 establish by resolution the specific per annum interest rate to

1 be imposed on unpaid taxes during the following tax year. Where  
2 suit is brought for the recovery of any such tax, the person  
3 liable therefor shall, in addition, be liable for the costs of  
4 collection and the interest and penalties herein imposed.

5 Section 3. This act shall take effect January 1, 1990, or  
6 immediately, whichever is later.