

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 668 Session of  
1997INTRODUCED BY ROBBINS, CORMAN, THOMPSON, STOUT AND AFFLERBACH,  
MARCH 12, 1997

AS AMENDED ON THIRD CONSIDERATION, APRIL 28, 1998

## 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 prohibiting certain fees relating to the collection of the  
23 earned income tax.

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

26 ~~Section 1. Section 10(a) of the act of December 31, 1965~~ <—  
27 ~~(P.L.1257, No.511), known as The Local Tax Enabling Act, is~~  
28 ~~amended to read:~~

~~Section 10. Collection of Taxes. (a) Administrative  
Personnel; Joint Agreements.~~

~~(1) Any such political subdivision is hereby authorized to  
provide by ordinance or resolution for the creation of such  
bureaus or the appointment and compensation of such officers,  
clerks, collectors, and other assistants and employes, either  
under existing departments, or otherwise as may be deemed  
necessary, for the assessment and collection of taxes imposed  
under authority of this act.~~

~~(2) Any political subdivisions imposing taxes under  
authority of this act are authorized to make joint agreements  
for the collection of such taxes or any of them. The same person  
or agency may be employed by two or more political subdivisions  
to collect any taxes imposed by them under authority of this  
act. No officer shall charge any fees to the appropriate home  
political subdivision for the collection and distribution of  
earned income tax revenues.~~

~~\* \* \*~~

~~Section 2. Paragraph (h) of Division V of section 13 of the  
act, added July 15, 1976 (P.L.1047, No.210), is amended to read:~~

SECTION 1. PARAGRAPH (H) OF DIVISION V OF SECTION 13 OF THE  
ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL  
TAX ENABLING ACT, ADDED JULY 15, 1976 (P.L.1047, NO.210), IS  
AMENDED TO READ:

Section 13. Earned Income Taxes.--On and after the effective  
date of this act the remaining provisions of this section shall  
be included in or construed to be a part of each tax levied and  
assessed upon earned income by any political subdivision levying  
and assessing such tax pursuant to this act. The definitions  
contained in this section shall be exclusive for any tax upon

1 earned income and net profits levied and assessed pursuant to  
2 this act, and shall not be altered or changed by any political  
3 subdivision levying and assessing such tax.

4 \* \* \*

5 V. Powers and Duties of Officer

6 \* \* \*

7 (h) The officer shall, at least quarterly, distribute earned  
8 income taxes to the appropriate political subdivisions. ~~No~~ <—

9 ~~officer shall charge any fees to the appropriate home political~~  
10 ~~subdivision for the collection and distribution of earned income~~  
11 ~~tax revenues.~~ THE OFFICER SHALL ALSO, ON AT LEAST A QUARTERLY <—

12 BASIS, RECIPROCATATE EARNED INCOME TAXES TO THE APPROPRIATE  
13 POLITICAL SUBDIVISION. FOR PURPOSES OF THIS PROVISION, THE TERM  
14 "RECIPROCATATE" SHALL BE DEFINED AS THE DISTRIBUTION, WITHOUT  
15 DEMAND OR CLAIM AS SET FORTH HEREIN, OF TAX REVENUE COLLECTED  
16 AND IDENTIFIED BY ONE TAXING BODY AND/OR ITS TAX COLLECTOR AS  
17 ATTRIBUTABLE TO RESIDENT TAXPAYERS LOCATED WITHIN ANOTHER TAXING  
18 JURISDICTION. The political subdivisions shall not be required

19 to request the officer to distribute the funds collected [but] <—  
20 NOR SHALL IT BE REQUIRED TO PAY A FEE OR COMMISSION TO THE OTHER <—

21 POLITICAL SUBDIVISION AND/OR ITS TAX OFFICER FOR TAX REVENUE  
22 RECIPROCATED TO IT. THE POLITICAL SUBDIVISIONS shall at least  
23 annually reconcile their receipts with the records of the

24 officer and return to or credit the officer with any  
25 overpayment. If the officer, within one year after receiving a  
26 tax payment, cannot identify the taxing jurisdiction entitled to

27 [a] THE tax payment, he shall make payment to the municipality <—  
28 in which the tax was collected. WITHIN THREE YEARS FROM THE DATE <—  
29 THE TAX WAS DUE, THE TAX OFFICER SHALL MAKE CLAIM OR DEMAND UPON

30 ANY OTHER POLITICAL SUBDIVISION AND/OR ITS TAX COLLECTOR FOR TAX

1 REVENUE ATTRIBUTABLE TO RESIDENT TAXPAYERS OF THE OFFICER'S  
2 TAXING JURISDICTION FOR WHICH NO RECIPROCAL DISTRIBUTIONS WERE  
3 RECEIVED. THE TAX OFFICER AND/OR POLITICAL SUBDIVISION UPON  
4 WHICH CLAIM OR DEMAND IS MADE SHALL RESPOND TO, HONOR AND/OR PAY  
5 SAID CLAIM WITHIN A REASONABLE TIME NOT TO EXCEED ONE HUNDRED  
6 EIGHTY DAYS FROM THE DATE OF THE CLAIM. NO FEE OR COMMISSION  
7 SHALL BE ASSESSED BY A POLITICAL SUBDIVISION AND/OR ITS TAX  
8 COLLECTOR WHEN DISTRIBUTING TAX REVENUE IN RESPONSE TO A CLAIM  
9 OR DEMAND MADE UPON IT. Within one hundred twenty days of the  
10 passage of this act, any present accumulated funds that are  
11 unclaimed shall be distributed on the same basis.

12 \* \* \*

13 Section 3 2. This act shall take effect in 60 days.

<—