

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 197 Session of
2003

INTRODUCED BY DeLUCA, WHEATLEY, FRANKEL, PISTELLA, COSTA,
GERGELY AND KOTIK, FEBRUARY 11, 2003

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 20, 2004

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 providing for DELEGATION OF TAXING POWERS AND <—
23 RESTRICTIONS THEREON; PROVIDING FOR NONRESIDENT SPORTS <—
24 FACILITY USAGE FEE, FOR PARKING TAX RATES AND FOR PAYROLL
25 TAXES; FURTHER PROVIDING FOR LIMITATIONS ON RATES OF SPECIFIC
26 TAXES AND FOR the appointment of a single collector of taxes;
27 FURTHER PROVIDING FOR THE APPLICABILITY OF PETITIONS UNDER <—
28 THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE
29 MUNICIPALITIES FINANCIAL RECOVERY ACT; and making a repeal.

30 The General Assembly of the Commonwealth of Pennsylvania
31 hereby enacts as follows:

1 OR SIMILAR HEAD TAX, OCCUPATION TAX AND [OCCUPATIONAL PRIVILEGE
2 TAX] EMERGENCY AND MUNICIPAL SERVICES TAX, OR EARNED INCOME TAX,
3 OR ANY PORTION THEREOF, AND MAY ADOPT REGULATIONS FOR THE
4 PROCESSING OF CLAIMS FOR EXEMPTIONS. SUCH LOCAL AUTHORITIES
5 SHALL NOT HAVE AUTHORITY BY VIRTUE OF THIS ACT:

6 (1) TO LEVY, ASSESS AND COLLECT OR PROVIDE FOR THE LEVYING,
7 ASSESSMENT AND COLLECTION OF ANY TAX ON THE TRANSFER OF REAL
8 PROPERTY WHEN THE TRANSFER IS BY WILL OR MORTGAGE OR THE
9 INTESTATE LAWS OF THIS COMMONWEALTH OR ON A TRANSFER BY THE
10 OWNER OF PREVIOUSLY OCCUPIED RESIDENTIAL PREMISES TO A BUILDER
11 OF NEW RESIDENTIAL PREMISES WHEN SUCH PREVIOUSLY OCCUPIED
12 RESIDENTIAL PREMISES IS TAKEN IN TRADE BY SUCH BUILDER AS PART
13 OF THE CONSIDERATION FROM THE PURCHASER OF A NEW PREVIOUSLY
14 UNOCCUPIED SINGLE FAMILY RESIDENTIAL PREMISES OR ON A TRANSFER
15 BETWEEN CORPORATIONS OPERATING HOUSING PROJECTS PURSUANT TO THE
16 HOUSING AND REDEVELOPMENT ASSISTANCE LAW AND THE SHAREHOLDERS
17 THEREOF, OR ON A TRANSFER BETWEEN NONPROFIT INDUSTRIAL
18 DEVELOPMENT AGENCIES AND INDUSTRIAL CORPORATIONS PURCHASING FROM
19 THEM, OR ON TRANSFER TO OR FROM NONPROFIT INDUSTRIAL DEVELOPMENT
20 AGENCIES, OR ON A TRANSFER BETWEEN HUSBAND AND WIFE, OR ON A
21 TRANSFER BETWEEN PERSONS WHO WERE PREVIOUSLY HUSBAND AND WIFE
22 BUT WHO HAVE SINCE BEEN DIVORCED; PROVIDED SUCH TRANSFER IS MADE
23 WITHIN THREE MONTHS OF THE DATE OF THE GRANTING OF THE FINAL
24 DECREE IN DIVORCE, OR THE DECREE OF EQUITABLE DISTRIBUTION OF
25 MARITAL PROPERTY, WHICHEVER IS LATER, AND THE PROPERTY OR
26 INTEREST THEREIN, SUBJECT TO SUCH TRANSFER, WAS ACQUIRED BY THE
27 HUSBAND AND WIFE, OR HUSBAND OR WIFE, PRIOR TO THE GRANTING OF
28 THE FINAL DECREE IN DIVORCE, OR ON A TRANSFER BETWEEN PARENT AND
29 CHILD OR THE SPOUSE OF SUCH A CHILD, OR BETWEEN PARENT AND
30 TRUSTEE FOR THE BENEFIT OF A CHILD OR THE SPOUSE OF SUCH CHILD,

1 OR ON A TRANSFER BETWEEN A GRANDPARENT AND GRANDCHILD OR THE
2 SPOUSE OF SUCH GRANDCHILD, OR ON A TRANSFER BETWEEN BROTHER AND
3 SISTER OR BROTHER AND BROTHER OR SISTER AND SISTER OR THE SPOUSE
4 OF SUCH BROTHER OR SISTER, OR ON A TRANSFER TO A CONSERVANCY
5 WHICH POSSESSES A TAX-EXEMPT STATUS PURSUANT TO SECTION
6 501(C)(3) OF THE INTERNAL REVENUE CODE, AND WHICH HAS AS ITS
7 PRIMARY PURPOSE THE PRESERVATION OF LAND FOR HISTORIC,
8 RECREATIONAL, SCENIC, AGRICULTURAL OR OPEN SPACE OPPORTUNITIES,
9 BY AND BETWEEN A PRINCIPAL AND STRAW PARTY FOR THE PURPOSE OF
10 PLACING A MORTGAGE OR GROUND RENT UPON THE PREMISES, OR ON A
11 CORRECTIONAL DEED WITHOUT CONSIDERATION, OR ON A TRANSFER TO THE
12 UNITED STATES, THE COMMONWEALTH OF PENNSYLVANIA, OR TO ANY OF
13 THEIR INSTRUMENTALITIES, AGENCIES OR POLITICAL SUBDIVISIONS, BY
14 GIFT, DEDICATION OR DEED IN LIEU OF CONDEMNATION, OR DEED OF
15 CONFIRMATION IN CONNECTION WITH CONDEMNATION PROCEEDINGS, OR
16 RECONVEYANCE BY THE CONDEMNING BODY OF THE PROPERTY CONDEMNED TO
17 THE OWNER OF RECORD AT THE TIME OF CONDEMNATION WHICH
18 RECONVEYANCE MAY INCLUDE PROPERTY LINE ADJUSTMENTS PROVIDED SAID
19 RECONVEYANCE IS MADE WITHIN ONE YEAR FROM THE DATE OF
20 CONDEMNATION, LEASES, OR ON A CONVEYANCE TO A TRUSTEE UNDER A
21 RECORDED TRUST AGREEMENT FOR THE EXPRESS PURPOSE OF HOLDING
22 TITLE IN TRUST AS SECURITY FOR A DEBT CONTRACTED AT THE TIME OF
23 THE CONVEYANCE UNDER WHICH THE TRUSTEE IS NOT THE LENDER AND
24 REQUIRING THE TRUSTEE TO MAKE RECONVEYANCE TO THE GRANTOR-
25 BORROWER UPON THE REPAYMENT OF THE DEBT, OR A TRANSFER WITHIN A
26 FAMILY FROM A SOLE PROPRIETOR FAMILY MEMBER TO A FAMILY FARM
27 CORPORATION, OR IN ANY SHERIFF SALE INSTITUTED BY A MORTGAGEE IN
28 WHICH THE PURCHASER OF SAID SHERIFF SALE IS THE MORTGAGEE WHO
29 INSTITUTED SAID SALE, OR ON A PRIVILEGE, TRANSACTION, SUBJECT,
30 OCCUPATION OR PERSONAL PROPERTY WHICH IS NOW OR DOES HEREAFTER

1 BECOME SUBJECT TO A STATE TAX OR LICENSE FEE;

2 (2) TO LEVY, ASSESS OR COLLECT A TAX ON THE GROSS RECEIPTS
3 FROM UTILITY SERVICE OF ANY PERSON OR COMPANY WHOSE RATES AND
4 SERVICES ARE FIXED AND REGULATED BY THE PENNSYLVANIA PUBLIC
5 UTILITY COMMISSION OR ON ANY PUBLIC UTILITY SERVICES RENDERED BY
6 ANY SUCH PERSON OR COMPANY OR ON ANY PRIVILEGE OR TRANSACTION
7 INVOLVING THE RENDERING OF ANY SUCH PUBLIC UTILITY SERVICE;

8 (3) EXCEPT ON SALES OF ADMISSION TO PLACES OF AMUSEMENT OR
9 ON SALES OR OTHER TRANSFERS OF TITLE OR POSSESSION OF PROPERTY,
10 TO LEVY, ASSESS OR COLLECT A TAX ON THE PRIVILEGE OF EMPLOYING
11 SUCH TANGIBLE PROPERTY AS IS NOW OR DOES HEREAFTER BECOME
12 SUBJECT TO A STATE TAX; AND FOR THE PURPOSES OF THIS CLAUSE,
13 REAL PROPERTY RENTED FOR CAMPING PURPOSES SHALL NOT BE
14 CONSIDERED A PLACE OF AMUSEMENT.

15 (4) TO LEVY, ASSESS AND COLLECT A TAX ON GOODS AND ARTICLES
16 MANUFACTURED IN SUCH POLITICAL SUBDIVISION OR ON THE BY-PRODUCTS
17 OF MANUFACTURE, OR ON MINERALS, TIMBER, NATURAL RESOURCES AND
18 FARM PRODUCTS PRODUCED IN SUCH POLITICAL SUBDIVISION OR ON THE
19 PREPARATION OR PROCESSING THEREOF FOR USE OR MARKET, OR ON ANY
20 PRIVILEGE, ACT OR TRANSACTION RELATED TO THE BUSINESS OF
21 MANUFACTURING, THE PRODUCTION, PREPARATION OR PROCESSING OF
22 MINERALS, TIMBER AND NATURAL RESOURCES, OR FARM PRODUCTS, BY
23 MANUFACTURERS, BY PRODUCERS AND BY FARMERS WITH RESPECT TO THE
24 GOODS, ARTICLES AND PRODUCTS OF THEIR OWN MANUFACTURE,
25 PRODUCTION OR GROWTH, OR ON ANY PRIVILEGE, ACT OR TRANSACTION
26 RELATING TO THE BUSINESS OF PROCESSING BY-PRODUCTS OF
27 MANUFACTURE, OR ON THE TRANSPORTATION, LOADING, UNLOADING OR
28 DUMPING OR STORAGE OF SUCH GOODS, ARTICLES, PRODUCTS OR BY-
29 PRODUCTS; EXCEPT THAT LOCAL AUTHORITIES MAY LEVY, ASSESS AND
30 COLLECT AN EMERGENCY AND MUNICIPAL SERVICES TAX AND TAXES ON THE <—

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1 OCCUPATION, [OCCUPATIONAL PRIVILEGE,] ~~EMERGENCY AND MUNICIPAL~~
2 ~~TAX~~ PER CAPITA AND EARNED INCOME OR NET PROFITS OF NATURAL
3 PERSONS ENGAGED IN THE ABOVE ACTIVITIES WHETHER DOING BUSINESS
4 AS INDIVIDUAL PROPRIETORSHIP OR AS MEMBERS OF PARTNERSHIPS OR
5 OTHER ASSOCIATIONS;

6 (5) TO LEVY, ASSESS OR COLLECT A TAX ON SALARIES, WAGES,
7 COMMISSIONS, COMPENSATION AND EARNED INCOME OF NONRESIDENTS OF
8 THE POLITICAL SUBDIVISIONS: PROVIDED, THAT THIS LIMITATION (5)
9 SHALL APPLY ONLY TO SCHOOL DISTRICTS OF THE SECOND, THIRD AND
10 FOURTH CLASSES;

11 (6) TO LEVY, ASSESS OR COLLECT A TAX ON PERSONAL PROPERTY
12 SUBJECT TO TAXATION BY COUNTIES OR ON PERSONAL PROPERTY OWNED BY
13 PERSONS, ASSOCIATIONS AND CORPORATIONS SPECIFICALLY EXEMPTED BY
14 LAW FROM TAXATION UNDER THE COUNTY PERSONAL PROPERTY TAX LAW:
15 PROVIDED, THAT THIS LIMITATION (6) SHALL NOT APPLY TO CITIES OF
16 THE SECOND CLASS;

17 (7) TO LEVY, ASSESS OR COLLECT A TAX ON MEMBERSHIP IN OR
18 MEMBERSHIP DUES, FEES OR ASSESSMENT OF CHARITABLE, RELIGIOUS,
19 BENEFICIAL OR NONPROFIT ORGANIZATIONS INCLUDING BUT NOT LIMITED
20 TO SPORTSMENS, RECREATIONAL, GOLF AND TENNIS CLUBS, GIRL AND BOY
21 SCOUT TROOPS AND COUNCILS;

22 (8) TO LEVY, ASSESS OR COLLECT ANY TAX ON A MOBILEHOME OR
23 HOUSE TRAILER SUBJECT TO A REAL PROPERTY TAX UNLESS THE SAME TAX
24 IS LEVIED, ASSESSED AND COLLECTED ON OTHER REAL PROPERTY IN THE
25 POLITICAL SUBDIVISION.

26 (9) TO LEVY, ASSESS OR COLLECT ANY TAX ON INDIVIDUALS FOR
27 THE PRIVILEGE OF ENGAGING IN AN OCCUPATION [(OCCUPATIONAL
28 PRIVILEGE TAX)] ~~EMERGENCY AND MUNICIPAL SERVICES TAX~~ (EMERGENCY
29 ~~AND MUNICIPAL SERVICES TAX~~) EXCEPT THAT SUCH A TAX MAY BE
30 LEVIED, ASSESSED AND COLLECTED ONLY BY THE POLITICAL SUBDIVISION

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1 OF THE TAXPAYER'S PLACE OF EMPLOYMENT.

2 PAYMENT OF ANY [OCCUPATIONAL PRIVILEGE TAX] EMERGENCY AND
3 MUNICIPAL SERVICES TAX TO ANY POLITICAL SUBDIVISION BY ANY
4 PERSON PURSUANT TO AN ORDINANCE OR RESOLUTION PASSED OR ADOPTED
5 UNDER THE AUTHORITY OF THIS ACT SHALL BE [LIMITED TO TEN DOLLARS
6 (\$10)] NO LESS THAN TEN DOLLARS (\$10) NOR MORE THAN FIFTY-TWO
7 DOLLARS (\$52) ON EACH PERSON FOR EACH CALENDAR YEAR.

8 THE SITUS OF SUCH TAX SHALL BE THE PLACE OF EMPLOYMENT, BUT,
9 IN THE EVENT A PERSON IS ENGAGED IN MORE THAN ONE OCCUPATION, OR
10 AN OCCUPATION WHICH REQUIRES HIS WORKING IN MORE THAN ONE
11 POLITICAL SUBDIVISION DURING THE CALENDAR YEAR, THE PRIORITY OF
12 CLAIM TO COLLECT SUCH [OCCUPATIONAL PRIVILEGE TAX] EMERGENCY AND
13 MUNICIPAL SERVICES TAX SHALL BE IN THE FOLLOWING ORDER: FIRST,
14 THE POLITICAL SUBDIVISION IN WHICH A PERSON MAINTAINS HIS
15 PRINCIPAL OFFICE OR IS PRINCIPALLY EMPLOYED; SECOND, THE
16 POLITICAL SUBDIVISION IN WHICH THE PERSON RESIDES AND WORKS, IF
17 SUCH A TAX IS LEVIED BY THAT POLITICAL SUBDIVISION; THIRD, THE
18 POLITICAL SUBDIVISION IN WHICH A PERSON IS EMPLOYED AND WHICH
19 IMPOSES THE TAX NEAREST IN MILES TO THE PERSON'S HOME. THE PLACE
20 OF EMPLOYMENT SHALL BE DETERMINED AS OF THE DAY THE TAXPAYER
21 FIRST BECOMES SUBJECT TO THE TAX DURING THE CALENDAR YEAR., ~~AND~~ <—

22 ~~THE TAX SHALL BE PRORATED BASED UPON THE NUMBER OF DAYS~~
23 ~~REMAINING IN THE CALENDAR YEAR ON THAT DAY. THE TAXING AUTHORITY~~
24 ~~MAY AUTHORIZE PAYMENT OF THE TAX ON A QUARTERLY OR MORE FREQUENT~~
25 ~~BASIS.~~

26 IT IS THE INTENT OF THIS PROVISION THAT NO PERSON SHALL PAY
27 MORE THAN [TEN DOLLARS (\$10)] FIFTY-TWO DOLLARS (\$52) IN ANY
28 CALENDAR YEAR AS AN [OCCUPATIONAL PRIVILEGE TAX] EMERGENCY AND
29 MUNICIPAL SERVICES TAX IRRESPECTIVE OF THE NUMBER OF POLITICAL
30 SUBDIVISIONS WITHIN WHICH SUCH PERSON MAY BE EMPLOYED WITHIN ANY

1 GIVEN CALENDAR YEAR.

2 IN CASE OF DISPUTE, A TAX RECEIPT OF THE TAXING AUTHORITY FOR
3 THAT CALENDAR YEAR DECLARING THAT THE TAXPAYER HAS MADE PRIOR
4 PAYMENT WHICH CONSTITUTES PRIMA FACIE CERTIFICATION OF PAYMENT
5 TO ALL OTHER POLITICAL SUBDIVISIONS.

6 (10) TO LEVY, ASSESS OR COLLECT A TAX ON ADMISSIONS TO
7 MOTION PICTURE THEATRES: PROVIDED, THAT THIS LIMITATION (10)
8 SHALL NOT APPLY TO CITIES OF THE SECOND CLASS.

9 (11) TO LEVY, ASSESS OR COLLECT A TAX ON THE CONSTRUCTION OF
10 OR IMPROVEMENT TO RESIDENTIAL DWELLINGS OR UPON THE APPLICATION
11 FOR OR ISSUANCE OF PERMITS FOR THE CONSTRUCTION OF OR
12 IMPROVEMENTS TO RESIDENTIAL DWELLINGS.

13 (12) TO LEVY, ASSESS AND COLLECT A MERCANTILE OR BUSINESS
14 PRIVILEGE TAX ON GROSS RECEIPTS OR PART THEREOF WHICH ARE: (I)
15 DISCOUNTS ALLOWED TO PURCHASERS AS CASH DISCOUNTS FOR PROMPT
16 PAYMENT OF THEIR BILLS; (II) CHARGES ADVANCED BY A SELLER FOR
17 FREIGHT, DELIVERY OR OTHER TRANSPORTATION FOR THE PURCHASER IN
18 ACCORDANCE WITH THE TERMS OF A CONTRACT OF SALE; (III) RECEIVED
19 UPON THE SALE OF AN ARTICLE OF PERSONAL PROPERTY WHICH WAS
20 ACQUIRED BY THE SELLER AS A TRADE-IN TO THE EXTENT THAT THE
21 GROSS RECEIPTS IN THE SALE OF THE ARTICLE TAKEN IN TRADE DOES
22 NOT EXCEED THE AMOUNT OF TRADE-IN ALLOWANCE MADE IN ACQUIRING
23 SUCH ARTICLE; (IV) REFUNDS, CREDITS OR ALLOWANCES GIVEN TO A
24 PURCHASER ON ACCOUNT OF DEFECTS IN GOODS SOLD OR MERCHANDISE
25 RETURNED; (V) PENNSYLVANIA SALES TAX; (VI) BASED ON THE VALUE OF
26 EXCHANGES OR TRANSFERS BETWEEN ONE SELLER AND ANOTHER SELLER WHO
27 TRANSFERS PROPERTY WITH THE UNDERSTANDING THAT PROPERTY OF AN
28 IDENTICAL DESCRIPTION WILL BE RETURNED AT A SUBSEQUENT DATE;
29 HOWEVER, WHEN SELLERS ENGAGED IN SIMILAR LINES OF BUSINESS
30 EXCHANGE PROPERTY AND ONE OF THEM MAKES PAYMENT TO THE OTHER IN

1 ADDITION TO THE PROPERTY EXCHANGED, THE ADDITIONAL PAYMENT
2 RECEIVED MAY BE INCLUDED IN THE GROSS RECEIPTS OF THE SELLER
3 RECEIVING SUCH ADDITIONAL CASH PAYMENTS; (VII) OF SELLERS FROM
4 SALES TO OTHER SELLERS IN THE SAME LINE WHERE THE SELLER
5 TRANSFERS THE TITLE OR POSSESSION AT THE SAME PRICE FOR WHICH
6 THE SELLER ACQUIRED THE MERCHANDISE; OR (VIII) TRANSFERS BETWEEN
7 ONE DEPARTMENT, BRANCH OR DIVISION OF A CORPORATION OR OTHER
8 BUSINESS ENTITY OF GOODS, WARES AND MERCHANDISE TO ANOTHER
9 DEPARTMENT, BRANCH OR DIVISION OF THE SAME CORPORATION OR
10 BUSINESS ENTITY AND WHICH ARE RECORDED ON THE BOOKS TO REFLECT
11 SUCH INTERDEPARTMENTAL TRANSACTIONS.

12 (13) TO LEVY, ASSESS OR COLLECT AN AMUSEMENT OR ADMISSIONS
13 TAX ON MEMBERSHIP, MEMBERSHIP DUES, FEES OR ASSESSMENTS,
14 DONATIONS, CONTRIBUTIONS OR MONETARY CHARGES OF ANY CHARACTER
15 WHATSOEVER PAID BY THE GENERAL PUBLIC, OR A LIMITED OR SELECTED
16 NUMBER THEREOF, FOR SUCH PERSONS TO ENTER INTO ANY PLACE,
17 INDOORS OR OUTDOORS, TO ENGAGE IN ANY ACTIVITIES, THE
18 PREDOMINANT PURPOSE OR NATURE OF WHICH IS EXERCISE, FITNESS,
19 HEALTH MAINTENANCE, IMPROVEMENT OR REHABILITATION, HEALTH OR
20 NUTRITION EDUCATION, OR WEIGHT CONTROL.

21 (14) EXCEPT BY CITIES OF THE SECOND CLASS, TO LEVY, ASSESS <—
22 OR COLLECT A TAX ON PAYROLL AMOUNTS GENERATED AS A RESULT OF
23 BUSINESS ACTIVITY.

24 (15) EXCEPT BY CITIES OF THE SECOND CLASS IN WHICH A SPORTS
25 STADIUM OR ARENA THAT HAS RECEIVED PUBLIC FUNDS IN CONNECTION
26 WITH ITS CONSTRUCTION OR MAINTENANCE IS LOCATED, TO LEVY, ASSESS
27 AND COLLECT A PUBLICLY FUNDED FACILITY USAGE FEE UPON THOSE
28 NONRESIDENT INDIVIDUALS WHO USE SUCH FACILITY TO ENGAGE IN AN
29 ATHLETIC EVENT OR OTHERWISE RENDER A PERFORMANCE FOR WHICH THEY
30 RECEIVE REMUNERATION.

1 (16) TO LEVY, ASSESS OR COLLECT AN AMUSEMENT OR ADMISSIONS
2 TAX ON THE CHARGE IMPOSED UPON A PATRON FOR THE SALE OF
3 ADMISSION TO OR FOR THE PRIVILEGE OF ADMISSION TO A BOWLING
4 ALLEY OR BOWLING LANE TO ENGAGE IN ONE OR MORE GAMES OF BOWLING.

5 ~~SECTION 2. SECTION 8 OF THE ACT, AMENDED OR ADDED OCTOBER~~ <—
6 ~~11, 1984 (P.L.885, NO.172 AND JULY 9, 1987 (P.L.203, NO.30), IS~~
7 ~~AMENDED TO READ:~~

8 SECTION 2. THE ACT IS AMENDED BY ADDING SECTIONS TO READ: <—

9 SECTION 2.2. PAYROLL TAX.--(A) A CITY OF THE SECOND CLASS
10 MAY LEVY, ASSESS OR COLLECT A TAX THAT DOES NOT EXCEED FIFTY-
11 FIVE HUNDREDTHS PERCENT ON PAYROLL AMOUNTS GENERATED AS A RESULT
12 OF AN EMPLOYER CONDUCTING BUSINESS ACTIVITY WITHIN A CITY OF THE
13 SECOND CLASS. FOR PURPOSES OF A PAYROLL TAX LEVIED, ASSESSED OR
14 COLLECTED BY A CITY OF THE SECOND CLASS, THE BUSINESS ACTIVITY
15 SHALL BE DIRECTLY ATTRIBUTABLE TO ACTIVITY WITHIN A CITY OF THE
16 SECOND CLASS. FOR PURPOSES OF COMPUTATION OF THE PAYROLL TAX
17 IMPOSED PURSUANT TO THIS SECTION, THE PAYROLL AMOUNT
18 ATTRIBUTABLE TO THE CITY SHALL BE DETERMINED BY APPLYING AN
19 APPORTIONMENT FACTOR TO TOTAL PAYROLL EXPENSE BASED ON THAT
20 PORTION OF PAYROLL EXPENSE WHICH THE TOTAL NUMBER OF DAYS AN
21 EMPLOYEE, PARTNER, MEMBER, SHAREHOLDER OR OTHER INDIVIDUAL WORKS
22 WITHIN THE CITY BEARS TO THE TOTAL NUMBER OF DAYS SUCH EMPLOYEE
23 OR PERSON WORKS WITHIN AND OUTSIDE OF THE CITY.

24 (A.1) A CHARITABLE ORGANIZATION THAT QUALIFIES FOR TAX
25 EXEMPTION PURSUANT TO THE ACT OF NOVEMBER 26, 1997 (P.L.508,
26 NO.55), KNOWN AS THE "INSTITUTIONS OF PURELY PUBLIC CHARITY
27 ACT," SHALL CALCULATE THE TAX THAT WOULD OTHERWISE BE
28 ATTRIBUTABLE TO THE CITY, BUT SHALL ONLY PAY THE TAX ON THAT
29 PORTION OF ITS PAYROLL EXPENSE ATTRIBUTABLE TO BUSINESS ACTIVITY
30 FOR WHICH A TAX MAY BE IMPOSED PURSUANT TO SECTION 511 OF THE

1 INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 95-223, 26 U.S.C. § 1
2 ET SEQ.). IF THE CHARITY HAS PURCHASED OR IS OPERATING BRANCHES,
3 AFFILIATES, SUBSIDIARIES OR OTHER BUSINESS ENTITIES THAT DO NOT
4 INDEPENDENTLY MEET THE STANDARDS OF THE "INSTITUTIONS OF PURELY
5 PUBLIC CHARITY ACT," THE TAX SHALL BE PAID ON THE PAYROLL
6 ATTRIBUTABLE TO SUCH FOR-PROFIT BRANCHES, AFFILIATES OR
7 SUBSIDIARIES, WHETHER OR NOT THE EMPLOYEES ARE LEASED OR PLACED
8 UNDER THE AUSPICES OF THE CHARITY'S UMBRELLA OR PARENT
9 ORGANIZATION. NOTHING IN THIS PARAGRAPH SHALL RESTRICT THE
10 ABILITY OF A CHARITABLE ORGANIZATION TO CONTRACT WITH THE CITY
11 TO PROVIDE SERVICES TO THE CITY IN LIEU OF SOME OR ALL TAXES DUE
12 UNDER THIS SECTION.

13 (B) FOR PURPOSES OF THE PAYROLL TAX ASSESSED PURSUANT TO
14 THIS SECTION, AN EMPLOYER IS CONDUCTING BUSINESS WITHIN A CITY
15 OF THE SECOND CLASS IF THE EMPLOYER ENGAGES, HIRES, EMPLOYS OR
16 CONTRACTS WITH ONE OR MORE INDIVIDUALS AS EMPLOYEES, AND IN
17 ADDITION, THE EMPLOYER DOES AT LEAST ONE OF THE FOLLOWING:

18 (1) MAINTAINS A FIXED PLACE OF BUSINESS WITHIN THE CITY;

19 (2) OWNS OR LEASES REAL PROPERTY WITHIN THE CITY FOR
20 PURPOSES OF SUCH BUSINESS;

21 (3) MAINTAINS A STOCK OF TANGIBLE PERSONAL PROPERTY IN THE
22 CITY FOR SALE IN THE ORDINARY COURSE OF SUCH BUSINESS;

23 (4) CONDUCTS CONTINUOUS SOLICITATION WITHIN THE CITY RELATED
24 TO SUCH BUSINESS; OR

25 (5) UTILIZES THE STREETS OF THE CITY IN CONNECTION WITH THE
26 OPERATION OF SUCH BUSINESS OTHER THAN TRANSPORTATION THROUGH THE
27 CITY.

28 (C) ALL EMPLOYERS IN A CITY OF THE SECOND CLASS SHALL FILE
29 QUARTERLY RETURNS AND MAKE QUARTERLY PAYMENTS AS PROVIDED FOR BY
30 ORDINANCE ENACTED BY A CITY OF THE SECOND CLASS. EVERY EMPLOYER

1 MAKING A RETURN SHALL CERTIFY THE CORRECTNESS THEREOF. A CITY OF
2 THE SECOND CLASS MAY AUDIT, EXAMINE OR INSPECT THE BOOKS,
3 RECORDS OR ACCOUNTS OF ALL EMPLOYERS SUBJECT TO THE TAX IMPOSED
4 PURSUANT TO THIS SECTION.

5 (D) A CITY OF THE SECOND CLASS MAY ENACT ORDINANCES AND
6 REGULATIONS NECESSARY TO IMPLEMENT THIS SECTION. THE ORDINANCE
7 LEVYING THE TAX AUTHORIZED BY THIS SECTION SHALL PERMANENTLY
8 REPLACE THE CITY'S EXISTING MERCANTILE TAX AND SHALL REDUCE THE
9 BUSINESS PRIVILEGE TAX RATE AS FOLLOWS:

10 (1) IN TAX YEARS 2005 AND 2006 THE BUSINESS PRIVILEGE TAX
11 SHALL BE TWO MILLS.

12 (2) IN TAX YEARS 2007, 2008 AND 2009 THE BUSINESS PRIVILEGE
13 TAX SHALL BE ONE MILL UNLESS THE REVENUES COLLECTED FROM THE
14 PAYROLL EXPENSE TAX EXCEED FIFTY MILLION FIVE HUNDRED THOUSAND
15 DOLLARS (\$50,500,000) IN ANY FISCAL YEAR, AT WHICH TIME THE
16 BUSINESS PRIVILEGE TAX SHALL BE REPLACED FOR THE SUBSEQUENT
17 FISCAL YEAR. AFTER THE PHASE OUT OF THE BUSINESS PRIVILEGE TAX,
18 ALL AMOUNTS OF MONEYS IN EXCESS OF FIFTY MILLION FIVE HUNDRED
19 THOUSAND DOLLARS (\$50,500,000) SHALL BE USED BY THE CITY OF THE
20 SECOND CLASS TO FURTHER ACCELERATE THE REDUCTION OF THE TAX
21 IMPOSED BY THE CITY OF THE SECOND CLASS ON PARKING AS PROVIDED
22 IN SECTION 5.1.

23 (3) IN TAX YEAR 2010 AND THEREAFTER, THE BUSINESS PRIVILEGE
24 TAX MAY NOT BE IMPOSED.

25 (E) ALL TAXES, ADDITIONS AND PENALTIES COLLECTED PURSUANT TO
26 THIS SECTION SHALL BE USED BY A CITY OF THE SECOND CLASS
27 EXCLUSIVELY FOR THE GENERAL REVENUE PURPOSES OF THE CITY.

28 (F) AN EMPLOYER SHALL NOT OFFSET THE AMOUNT OF TAX PAID
29 PURSUANT TO THIS SECTION BY REDUCING COMPENSATION OR BENEFITS
30 PAID TO EMPLOYEES.

1 (G) A CITY OF THE SECOND CLASS MAY BRING SUIT FOR THE
2 RECOVERY OF TAXES DUE AND UNPAID UNDER THIS SECTION. ANY SUIT
3 BROUGHT TO RECOVER THE TAX IMPOSED BY THIS SECTION SHALL BE
4 COMMENCED WITHIN THREE YEARS AFTER SUCH TAX IS DUE, OR WITHIN
5 THREE YEARS AFTER THE DECLARATION OR RETURN HAS BEEN FILED,
6 WHICHEVER IS LATER: PROVIDED, HOWEVER, THAT THIS LIMITATION
7 SHALL NOT PREVENT THE INSTITUTION OF A SUIT FOR THE COLLECTION
8 OF ANY TAX DUE OR DETERMINED TO BE DUE IN THE FOLLOWING CASES:

9 (1) WHERE NO DECLARATION OR RETURN WAS FILED BY ANY PERSON
10 ALTHOUGH A DECLARATION OR RETURN WAS REQUIRED TO BE FILED BY HIM
11 UNDER PROVISIONS OF THIS SECTION, THERE SHALL BE NO LIMITATION.

12 (2) WHERE AN EXAMINATION OF THE DECLARATION OR RETURN FILED
13 BY ANY PERSON, OR OF OTHER EVIDENCE RELATING TO SUCH DECLARATION
14 OR RETURN IN THE POSSESSION OF THE CITY OF THE SECOND CLASS,
15 REVEALS A FRAUDULENT EVASION OF TAXES, THERE SHALL BE NO
16 LIMITATION.

17 (3) IN THE CASE OF SUBSTANTIAL UNDERSTATEMENT OF TAX
18 LIABILITY OF TWENTY-FIVE PERCENT OR MORE AND NO FRAUD, SUIT
19 SHALL BE BEGUN WITHIN SIX YEARS.

20 (4) THIS SECTION SHALL NOT BE CONSTRUED TO LIMIT THE
21 GOVERNING BODY FROM RECOVERING DELINQUENT TAXES BY ANY OTHER
22 MEANS PROVIDED BY LAW.

23 (H) IF FOR ANY REASON THE PAYROLL TAX IS NOT PAID WHEN DUE,
24 INTEREST AT THE RATE OF SIX PERCENT PER ANNUM ON THE AMOUNT OF
25 SAID TAX, AND AN ADDITIONAL PENALTY OF ONE PERCENT OF THE AMOUNT
26 OF THE UNPAID TAX FOR EACH MONTH OR FRACTION THEREOF DURING
27 WHICH THE TAX REMAINS UNPAID SHALL BE ADDED AND COLLECTED. WHERE
28 SUIT IS BROUGHT FOR THE RECOVERY OF ANY SUCH TAX, THE EMPLOYER
29 SHALL, IN ADDITION, BE LIABLE FOR THE COSTS OF COLLECTION AND
30 THE INTEREST AND PENALTIES HEREIN IMPOSED. A CITY OF THE SECOND

1 CLASS MAY, BY ORDINANCE OR RESOLUTION, ESTABLISH A ONE-TIME
2 PERIOD DURING WHICH INTEREST OR INTEREST AND PENALTIES THAT
3 WOULD OTHERWISE BE IMPOSED FOR THE NONREPORTING OR
4 UNDERREPORTING OF PAYROLL TAX LIABILITIES OR FOR THE NONPAYMENT
5 OF PAYROLL TAXES PREVIOUSLY IMPOSED AND DUE SHALL BE WAIVED IN
6 TOTAL OR IN PART IF THE TAXPAYER VOLUNTARILY FILES DELINQUENT
7 RETURNS AND PAYS THE TAXES IN FULL DURING THE PERIOD SO
8 ESTABLISHED.

9 (I) IN ADDITION TO ANY OTHER ADDITIONS, PENALTIES OR
10 ENFORCEMENT PROCEEDINGS PROVIDED FOR BY ORDINANCE OF A CITY OF
11 THE SECOND CLASS OR A LAW OF THIS COMMONWEALTH FOR THE
12 COLLECTION AND ENFORCEMENT OF TAXES OR THE SUBMISSION OF
13 INFORMATION TO A GOVERNMENT ENTITY:

14 (1) ANY EMPLOYER WHO WILFULLY MAKES ANY FALSE OR UNTRUE
15 STATEMENT ON THE EMPLOYER'S RETURN COMMITS A MISDEMEANOR OF THE
16 SECOND DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO PAY A
17 FINE OF NOT MORE THAN TWO THOUSAND DOLLARS (\$2,000) OR TO
18 IMPRISONMENT FOR NOT MORE THAN TWO YEARS, OR BOTH.

19 (2) ANY EMPLOYER WHO WILFULLY FAILS OR REFUSES TO FILE A
20 RETURN REQUIRED BY THIS SECTION COMMITS A MISDEMEANOR OF THE
21 THIRD DEGREE AND SHALL, UPON CONVICTION, BE SENTENCED TO PAY A
22 FINE OF NOT MORE THAN ONE THOUSAND DOLLARS (\$1,000) OR TO
23 IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BOTH.

24 (3) ANY PERSON WHO WILFULLY FAILS OR REFUSES TO APPEAR
25 BEFORE THE COLLECTOR IN PERSON WITH THE EMPLOYER'S BOOKS,
26 RECORDS OR ACCOUNTS FOR EXAMINATION WHEN REQUIRED UNDER THE
27 PROVISIONS OF THIS SECTION OR OF AN ORDINANCE TO DO SO, OR WHO
28 WILFULLY REFUSES TO PERMIT INSPECTION OF THE BOOKS, RECORDS OR
29 ACCOUNTS OF ANY EMPLOYER IN THE PERSON'S CUSTODY OR CONTROL WHEN
30 THE RIGHT TO MAKE SUCH INSPECTION BY THE COLLECTOR IS REQUESTED,

1 COMMITTS A MISDEMEANOR AND SHALL, UPON CONVICTION, BE SENTENCED
2 TO PAY A FINE OF NOT MORE THAN FIVE HUNDRED DOLLARS (\$500) OR TO
3 IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BOTH.

4 (J) AS USED IN THIS SECTION:

5 "EMPLOYER" MEANS ALL PERSONS CONDUCTING BUSINESS ACTIVITY
6 WITHIN A CITY OF THE SECOND CLASS, EXCEPT FOR A GOVERNMENTAL
7 ENTITY.

8 "PAYROLL AMOUNTS" MEANS ALL AMOUNTS PAID BY AN EMPLOYER AS
9 SALARIES, WAGES, COMMISSIONS, BONUSES, NET EARNINGS AND
10 INCENTIVE PAYMENTS, WHETHER BASED ON PROFITS OR OTHERWISE, FEES
11 AND SIMILAR REMUNERATION FOR SERVICES RENDERED, WHETHER DIRECTLY
12 OR THROUGH AN AGENT AND WHETHER IN CASH, IN PROPERTY OR THE
13 RIGHT TO RECEIVE PROPERTY.

14 SECTION 2.3. NONRESIDENT SPORTS FACILITY USAGE FEE.--A CITY
15 OF THE SECOND CLASS, IN WHICH IS LOCATED A SPORTS STADIUM OR
16 ARENA THAT HAS RECEIVED PUBLIC FUNDS IN CONNECTION WITH ITS
17 CONSTRUCTION OR MAINTENANCE, MAY ENACT A PUBLICLY FUNDED
18 FACILITY USAGE FEE UPON THOSE NONRESIDENT INDIVIDUALS WHO USE
19 SUCH FACILITY TO ENGAGE IN AN ATHLETIC EVENT OR OTHERWISE RENDER
20 A PERFORMANCE FOR WHICH THEY RECEIVE REMUNERATION. THE FEE MAY
21 BE A FLAT DOLLAR AMOUNT OR A PERCENTAGE OF THE INDIVIDUAL'S
22 INCOME ATTRIBUTABLE TO SUCH INDIVIDUAL'S USAGE OF THE FACILITY.
23 IF THE FEE IS A PERCENTAGE, IT MAY NOT EXCEED THREE PERCENT OF
24 THE EARNED INCOME OF THE INDIVIDUAL ATTRIBUTABLE TO THE USAGE OF
25 THE FACILITY. IF ANY FEE IS IMPOSED, THOSE INDIVIDUALS LIABLE
26 FOR THE FEE SHALL BE EXEMPT FROM ANY EARNED INCOME TAX IMPOSED
27 BY THE CITY OF THE SECOND CLASS PURSUANT TO THIS ACT AND ANY
28 SUCH TAX IMPOSED UNDER SECTION 652.1 OF THE ACT OF MARCH 10,
29 1949 (P.L.30, NO.14), KNOWN AS THE "PUBLIC SCHOOL CODE OF 1949."
30 SHOULD A COURT OF COMPETENT JURISDICTION DETERMINE THIS

1 PROVISION TO BE INVALID FOR ANY REASON, PERSONS SUBJECT TO THE
2 PUBLICLY FUNDED FACILITY USAGE FEE SHALL NOT BE EXEMPT FROM ANY
3 PREVIOUSLY APPLICABLE EARNED INCOME TAX.

4 SECTION 5.1. SECOND CLASS CITY PARKING TAX RATES.--THE RATE
5 OF THE TAX IMPOSED ON PARKING TRANSACTIONS SHALL NOT DIFFER FROM
6 THE RATE CONTAINED IN CITY OF PITTSBURGH ORDINANCE NUMBER 43-
7 2003 AS OF JANUARY 1, 2004, EXCEPT AS FOLLOWS:

8 (1) IN TAX YEAR 2007, THE RATE OF TAX SHALL NOT EXCEED 45%.

9 (2) IN TAX YEAR 2008, THE RATE OF TAX SHALL NOT EXCEED 40%.

10 (3) IN TAX YEAR 2009, THE RATE OF TAX SHALL NOT EXCEED
11 37.5%.

12 (4) IN TAX YEAR 2010, THE RATE OF TAX SHALL NOT EXCEED 35%
13 AS EXISTED PRIOR TO THE ADOPTION OF THE ORDINANCE.

14 SECTION 3. SECTION 8 OF THE ACT, AMENDED OR ADDED OCTOBER
15 11, 1984 (P.L.885, NO.172) AND JULY 1987 (P.L.203, NO.30), IS
16 AMENDED TO READ:

17 SECTION 8. LIMITATIONS ON RATES OF SPECIFIC TAXES.--NO TAXES
18 LEVIED UNDER THE PROVISIONS OF THIS ACT SHALL BE LEVIED BY ANY
19 POLITICAL SUBDIVISION ON THE FOLLOWING SUBJECTS EXCEEDING THE
20 RATES SPECIFIED IN THIS SECTION:

21 (1) PER CAPITA, POLL OR OTHER SIMILAR HEAD TAXES, TEN
22 DOLLARS (\$10).

23 (2) ON EACH DOLLAR OF THE WHOLE VOLUME OF BUSINESS
24 TRANSACTED BY WHOLESALE DEALERS IN GOODS, WARES AND MERCHANDISE,
25 ONE MILL, BY RETAIL DEALERS IN GOODS, WARES AND MERCHANDISE AND
26 BY PROPRIETORS OF RESTAURANTS OR OTHER PLACES WHERE FOOD, DRINK
27 AND REFRESHMENTS ARE SERVED, ONE AND ONE-HALF MILLS; EXCEPT IN
28 CITIES OF THE SECOND CLASS, WHERE RATES SHALL NOT EXCEED ONE
29 MILL ON WHOLESALE DEALERS AND TWO MILLS ON RETAIL DEALERS AND
30 PROPRIETORS. NO SUCH TAX SHALL BE LEVIED ON THE DOLLAR VOLUME OF

1 BUSINESS TRANSACTED BY WHOLESALE AND RETAIL DEALERS DERIVED FROM
2 THE RESALE OF GOODS, WARES AND MERCHANDISE, TAKEN BY ANY DEALER
3 AS A TRADE-IN OR AS PART PAYMENT FOR OTHER GOODS, WARES AND
4 MERCHANDISE, EXCEPT TO THE EXTENT THAT THE RESALE PRICE EXCEEDS
5 THE TRADE-IN ALLOWANCE.

6 (3) ON WAGES, SALARIES, COMMISSIONS AND OTHER EARNED INCOME
7 OF INDIVIDUALS, ONE PERCENT.

8 (4) ON RETAIL SALES INVOLVING THE TRANSFER OF TITLE OR
9 POSSESSION OF TANGIBLE PERSONAL PROPERTY, TWO PERCENT.

10 (5) ON THE TRANSFER OF REAL PROPERTY, ONE PERCENT.

11 (6) ON ADMISSIONS TO PLACES OF AMUSEMENT, ATHLETIC EVENTS
12 AND THE LIKE, AND ON MOTION PICTURE THEATRES IN CITIES OF THE
13 SECOND CLASS, TEN PERCENT.

14 (7) FLAT RATE OCCUPATION TAXES NOT USING A MILLAGE OR
15 PERCENTAGE AS A BASIS, TEN DOLLARS (\$10).

16 (8) [OCCUPATIONAL PRIVILEGE TAXES, TEN DOLLARS (\$10).]
17 EMERGENCY AND MUNICIPAL SERVICES TAXES, FIFTY-TWO DOLLARS (\$52).

18 (9) ON ADMISSIONS TO SKI FACILITIES, TEN PERCENT. THE TAX
19 BASE UPON WHICH THE TAX SHALL BE LEVIED SHALL NOT EXCEED FORTY
20 PERCENT OF THE COST OF THE LIFT TICKET. THE LIFT TICKET SHALL
21 INCLUDE ALL COSTS OF ADMISSIONS TO THE SKI FACILITY.

22 (10) ON ADMISSIONS TO GOLF COURSES, TEN PERCENT. THE TAX
23 BASE UPON WHICH THE TAX SHALL BE LEVIED SHALL NOT EXCEED FORTY
24 PERCENT OF THE GREENS FEE. THE GREENS FEE SHALL INCLUDE ALL
25 COSTS OF ADMISSIONS TO THE GOLF COURSE.

26 [(11) ON ADMISSIONS TO BOWLING ALLEYS OR BOWLING LANES, TEN
27 PERCENT. THE TAX BASE UPON WHICH THE TAX SHALL BE LEVIED SHALL
28 NOT EXCEED FORTY PERCENT OF THE CHARGE IMPOSED UPON A PATRON FOR
29 THE SALE OF ADMISSION TO OR THE PRIVILEGE OF ADMISSION TO A
30 BOWLING ALLEY OR BOWLING LANE TO ENGAGE IN ONE OR MORE GAMES OF

<—

1 BOWLING.]

<—

2 (12) ON PAYROLLS, FIFTY-FIVE HUNDREDTHS PERCENT.

<—

3 EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, AT ANY TIME TWO
4 POLITICAL SUBDIVISIONS SHALL IMPOSE ANY ONE OF THE ABOVE TAXES
5 ON THE SAME PERSON, SUBJECT, BUSINESS, TRANSACTION OR PRIVILEGE,
6 LOCATED WITHIN BOTH SUCH POLITICAL SUBDIVISIONS, DURING THE SAME
7 YEAR OR PART OF THE SAME YEAR, UNDER THE AUTHORITY OF THIS ACT
8 THEN THE TAX LEVIED BY A POLITICAL SUBDIVISION UNDER THE
9 AUTHORITY OF THIS ACT SHALL, DURING THE TIME SUCH DUPLICATION OF
10 THE TAX EXISTS, EXCEPT AS HEREINAFTER OTHERWISE PROVIDED, BE
11 ONE-HALF OF THE RATE, AS ABOVE LIMITED, AND SUCH ONE-HALF RATE
12 SHALL BECOME EFFECTIVE BY VIRTUE OF THE REQUIREMENTS OF THIS ACT
13 FROM THE DAY SUCH DUPLICATION BECOMES EFFECTIVE WITHOUT ANY
14 ACTION ON THE PART OF THE POLITICAL SUBDIVISION IMPOSING THE TAX
15 UNDER THE AUTHORITY OF THIS ACT. WHEN ANY ONE OF THE ABOVE TAXES
16 HAS BEEN LEVIED UNDER THE PROVISIONS OF THIS ACT BY ONE
17 POLITICAL SUBDIVISION AND A SUBSEQUENT LEVY IS MADE EITHER FOR
18 THE FIRST TIME OR IS REVIVED AFTER A LAPSE OF TIME BY ANOTHER
19 POLITICAL SUBDIVISION ON THE SAME PERSON, SUBJECT, BUSINESS,
20 TRANSACTION OR PRIVILEGE AT A RATE THAT WOULD MAKE THE COMBINED
21 LEVIES EXCEED THE LIMIT ALLOWED BY THIS SUBDIVISION, THE TAX OF
22 THE SECOND POLITICAL SUBDIVISION SHALL NOT BECOME EFFECTIVE
23 UNTIL THE END OF THE FISCAL YEAR FOR WHICH THE PRIOR TAX WAS
24 LEVIED, UNLESS:

25 (1) NOTICE INDICATING ITS INTENTION TO MAKE SUCH LEVY IS
26 GIVEN TO THE FIRST TAXING BODY BY THE SECOND TAXING BODY AS
27 FOLLOWS: (I) WHEN THE NOTICE IS GIVEN TO A SCHOOL DISTRICT IT
28 SHALL BE GIVEN AT LEAST FORTY-FIVE DAYS PRIOR TO THE LAST DAY
29 FIXED BY LAW FOR THE LEVY OF ITS SCHOOL TAXES; (II) WHEN GIVEN
30 TO ANY OTHER POLITICAL SUBDIVISION IT SHALL BE PRIOR TO THE

1 FIRST DAY OF JANUARY IMMEDIATELY PRECEDING, OR IF A LAST DAY FOR
2 THE ADOPTION OF THE BUDGET IS FIXED BY LAW, AT LEAST FORTY-FIVE
3 DAYS PRIOR TO SUCH LAST DAY; OR

4 (2) UNLESS THE FIRST TAXING BODY SHALL INDICATE BY
5 APPROPRIATE RESOLUTION ITS DESIRE TO WAIVE NOTICE REQUIREMENTS
6 IN WHICH CASE THE LEVY OF THE SECOND TAXING BODY SHALL BECOME
7 EFFECTIVE ON SUCH DATE AS MAY BE AGREED UPON BY THE TWO TAXING
8 BODIES.

9 IT IS THE INTENT AND PURPOSE OF THIS PROVISION TO LIMIT RATES
10 OF TAXES REFERRED TO IN THIS SECTION SO THAT THE ENTIRE BURDEN
11 OF ONE TAX ON A PERSON, SUBJECT, BUSINESS, TRANSACTION OR
12 PRIVILEGE SHALL NOT EXCEED THE LIMITATIONS PRESCRIBED IN THIS
13 SECTION: PROVIDED, HOWEVER, THAT ANY TWO POLITICAL SUBDIVISIONS
14 WHICH IMPOSE ANY ONE OF THE ABOVE TAXES, ON THE SAME PERSON,
15 SUBJECT, BUSINESS, TRANSACTION OR PRIVILEGE DURING THE SAME YEAR
16 OR PART OF THE SAME YEAR MAY AGREE AMONG THEMSELVES THAT,
17 INSTEAD OF LIMITING THEIR RESPECTIVE RATES TO ONE-HALF OF THE
18 MAXIMUM RATE HEREIN PROVIDED, THEY WILL IMPOSE RESPECTIVELY
19 DIFFERENT RATES, THE TOTAL OF WHICH SHALL NOT EXCEED THE MAXIMUM
20 RATE AS ABOVE PERMITTED.

21 NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, ANY CITY OF
22 THE SECOND CLASS A MAY ENACT A TAX UPON WAGES, SALARIES,
23 COMMISSIONS AND OTHER EARNED INCOME OF INDIVIDUALS RESIDENT
24 THEREIN, NOT EXCEEDING ONE PERCENT, EVEN THOUGH A SCHOOL
25 DISTRICT LEVIES A SIMILAR TAX ON THE SAME PERSON PROVIDED THAT
26 ~~THE AGGREGATE OF BOTH TAXES DOES NOT EXCEED TWO PERCENT.~~ <—

27 ~~(12) IN THE CASE OF DUPLICATION OF EMERGENCY AND MUNICIPAL~~
28 ~~SERVICES TAXES BY A SCHOOL DISTRICT AND ANOTHER TAXING BODY, THE~~
29 THE AGGREGATE OF BOTH TAXES DOES NOT EXCEED TWO PERCENT. IN THE <—
30 CASE OF DUPLICATION OF EMERGENCY AND MUNICIPAL SERVICES TAXES BY

1 BOTH A SCHOOL DISTRICT, OTHER THAN A SCHOOL DISTRICT OF THE
2 FIRST CLASS A, AND ANOTHER TAXING BODY, THE SCHOOL DISTRICT'S
3 SHARE OF THE TAX SHALL NOT EXCEED THE AMOUNT OF EMERGENCY AND <—
4 MUNICIPAL SERVICES TAX LEVIED BY THE SCHOOL OF A TAX ON THE <—
5 PRIVILEGE OF ENGAGING IN AN OCCUPATION COLLECTED BY THE SCHOOL
6 DISTRICT AS OF THE EFFECTIVE DATE OF THIS PARAGRAPH. IN THE CASE
7 WHERE A SCHOOL DISTRICT DID NOT LEVY AN EMERGENCY AND MUNICIPAL <—
8 SERVICES TAX A TAX ON THE PRIVILEGE OF ENGAGING IN AN OCCUPATION <—
9 ON THE EFFECTIVE DATE OF THIS PARAGRAPH, THE SCHOOL DISTRICT MAY
10 IMPOSE A FUTURE LEVY NOT TO EXCEED FIVE DOLLARS (\$5). A SCHOOL <—
11 DISTRICT OF THE FIRST CLASS A SHALL NOT LEVY, ASSESS OR COLLECT
12 AN EMERGENCY AND MUNICIPAL SERVICES TAX.

13 SECTION 3 4. SECTION 10 OF THE ACT IS AMENDED TO READ: <—

14 Section 10. Collection of Taxes.--(a) Administrative
15 Personnel; Joint Agreements.--[Any] Except as provided in
16 subsections (b) and (c), any such political subdivision is
17 hereby authorized to provide by ordinance or resolution for the
18 creation of such bureaus or the appointment and compensation of
19 such officers, clerks, collectors, and other assistants and
20 employes, either under existing departments, or otherwise as may
21 be deemed necessary, for the assessment and collection of taxes
22 imposed under authority of this act.

23 [Any] Except as provided in subsections (b) and (c), any
24 political subdivisions imposing taxes under authority of this
25 act are authorized to make joint agreements for the collection
26 of such taxes or any of them. The same person or agency may be
27 employed by two or more political subdivisions to collect any
28 taxes imposed by them under authority of this act.

29 (b) Single Collector for Earned Income Taxes When Certain
30 School Districts Impose Such Taxes.--[Whenever] Except as

1 provided in subsection (c), whenever a school district of the
2 second, third or fourth class shall be established pursuant to
3 section 296, act of March 10, 1949 (P.L.30), known as the
4 "Public School Code of 1949," added August 8, 1963 (P.L. 564),
5 and such school district shall levy, assess and collect or
6 provide for the levying, assessment and collection of a tax upon
7 earned income, such school district and all cities, boroughs,
8 towns and townships within its geographical limits which levy,
9 assess and collect or provide for the levying, assessment and
10 collection of a tax upon earned income, may on January 1, 1967,
11 or as soon thereafter as the school district shall provide for
12 the levying, assessment and collection of taxes upon earned
13 income, select one person or agency to collect the taxes upon
14 earned income imposed by all such political subdivisions. In
15 selecting such person or agency, each political subdivision
16 shall share in the selection upon a basis agreed upon by each
17 political subdivision, or in the absence of any agreement on the
18 basis of voting according to the proportion that the population
19 of each bears to the entire population of the combined
20 collection district, according to the latest official Federal
21 census, and the majority of such votes cast shall determine the
22 person or agency selected to collect the taxes. The provisions
23 of this paragraph shall not prohibit school districts and other
24 political subdivisions which levy, assess and collect or provide
25 for the levying, assessment and collection of taxes upon earned
26 income, under authority of this act, from selecting the same
27 person or agency to collect such tax upon earned income in an
28 area larger than the geographical limits of a school district
29 established pursuant to section 296 of the "Public School Code
30 of 1949."

1 (c) Single Tax Collector in Certain Home Rule

2 Municipality.--In a municipality having a population under the
3 2000 Federal decennial census of at least forty thousand and
4 less than ninety thousand located in a second class county which
5 municipality has adopted a home rule charter under 53 Pa.C.S.
6 Pt. III Subpt. E (relating to home rule and optional plan
7 government), the person or persons appointed by the board of
8 school directors for the school district in which the
9 municipality is located as collector or collectors of taxes
10 levied by the school district under this act shall also serve as
11 the collector or collectors of taxes levied by the municipality
12 under this act.

13 SECTION 4 5. THE ACT IS AMENDED BY ADDING SECTIONS TO READ: <—

14 SECTION 22.1. EMERGENCY AND MUNICIPAL SERVICES TAXES.--ANY
15 REFERENCE IN ANY ACT OR LAW TO AN OCCUPATIONAL PRIVILEGE TAX
16 SHALL MEAN THE EMERGENCY AND MUNICIPAL SERVICES TAXES AS
17 PROVIDED FOR IN THIS ACT.

18 SECTION 22.2. RESTRICTED USE.--(A) ANY MUNICIPALITY
19 DERIVING FUNDS FROM THE EMERGENCY AND MUNICIPAL SERVICES TAX MAY
20 ONLY USE THE FUNDS FOR:

21 (1) POLICE, FIRE AND/OR EMERGENCY SERVICES;

22 (2) ROAD CONSTRUCTION AND/OR MAINTENANCE; OR

23 (3) REDUCTION OF PROPERTY TAXES.

24 (B) FOR THE PURPOSE OF THE EMERGENCY AND MUNICIPAL SERVICES
25 TAX, THE TERM MUNICIPALITY DOES NOT INCLUDE A SCHOOL DISTRICT.

26 ~~Section 2 5. Section 1970.3 of the act of July 28, 1953~~ <—
27 ~~(P.L.723, No.230), known as the Second Class County Code, is~~
28 ~~repealed.~~

29 ~~Section 3 6. This act shall take effect January 1, 2004.~~

30 SECTION 6. ANY ORDINANCE OR RESOLUTION PROVIDING FOR THE <—

1 LEVYING, ASSESSMENT OR COLLECTION OF A TAX ON INDIVIDUALS FOR
2 THE PRIVILEGE OF ENGAGING IN AN OCCUPATION WHICH HAS BEEN
3 ENACTED BY A POLITICAL SUBDIVISION PRIOR TO THE EFFECTIVE DATE
4 OF THIS SECTION SHALL CONTINUE IN FULL FORCE AND EFFECT, WITHOUT
5 REENACTMENT, AS IF SUCH TAX HAD BEEN LEVIED, ASSESSED OR
6 COLLECTED AS AN EMERGENCY AND MUNICIPAL SERVICES TAX UNDER
7 SECTION 2(9) OF THE ACT. ALL REFERENCES IN ANY ORDINANCE OR
8 RESOLUTION TO A TAX ON THE PRIVILEGE OF ENGAGING IN AN
9 OCCUPATION SHALL BE DEEMED TO BE A REFERENCE TO AN EMERGENCY AND
10 MUNICIPAL SERVICES TAX FOR THE PURPOSES OF THE ACT.

11 SECTION 6.1. SECTION 141 OF THE ACT OF JULY 10, 1987
12 (P.L.246, NO.47), KNOWN AS THE MUNICIPALITIES FINANCIAL RECOVERY
13 ACT, SHALL NOT APPLY TO A CITY OF THE SECOND CLASS INSOFAR AS
14 THE SECTION CONFERS AUTHORITY UPON THE CITY TO PETITION FOR THE
15 IMPOSITION OF AN EARNED INCOME TAX ON NONRESIDENTS. THIS SECTION
16 SHALL NOT BE CONSTRUED TO LIMIT ANY OTHER PROVISION IN THE
17 MUNICIPALITIES FINANCIAL RECOVERY ACT. THIS SECTION SHALL EXPIRE
18 UPON TERMINATION OF THE AUTHORITY ESTABLISHED UNDER THE ACT OF
19 FEBRUARY 12, 2004 (P.L.73, NO.11), KNOWN AS THE
20 INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR CITIES OF THE
21 SECOND CLASS.

22 SECTION 7. (A) THE FOLLOWING ACTS AND PARTS OF ACTS ARE
23 REPEALED:

24 SECTION 1970.3 OF THE ACT OF JULY 28, 1953 (P.L.723, NO.230),
25 KNOWN AS THE SECOND CLASS COUNTY CODE.

26 (B) ALL OTHER ACTS OR PARTS OF ACTS AND ALL ORDINANCES AND
27 RESOLUTIONS OR PARTS THEREOF INCONSISTENT WITH THE PROVISIONS OF
28 THIS ACT ARE SUSPENDED TO THE EXTENT NECESSARY TO CARRY OUT THE
29 PROVISIONS OF THIS ACT.

30 SECTION 8. THIS ACT SHALL APPLY TO TAXES LEVIED FOR TAX

1 YEARS COMMENCING ON OR AFTER JANUARY 1, 2005.

2 SECTION 9. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.