

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1016 Session of
2004

INTRODUCED BY FERLO, FEBRUARY 11, 2004

REFERRED TO FINANCE, FEBRUARY 11, 2004

AN ACT

1 Authorizing assessment and collection of an employee municipal
2 services tax.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Employee
7 Municipal Services Tax Act.

8 Section 2. Tax authorization.

9 (a) General rule.--Notwithstanding any other provision of
10 law to the contrary, the governing body of a municipality shall
11 have the authority to levy, assess and collect a tax of up to
12 \$52 on residents and nonresidents employed within the
13 municipality for the privilege of receiving municipal services.

14 (b) Situs.--The situs of such tax shall be the place of
15 employment, but, in the event a person is engaged in more than
16 one occupation or an occupation which requires his working in
17 more than one municipality during the calendar year, the

1 priority of claim to collect such municipal services tax shall
2 be in the following order: first, the municipality in which a
3 person maintains his principal office or is principally
4 employed; second, the municipality in which the person resides
5 and works if such a tax is levied by that municipality; third,
6 the municipality in which a person is employed and which imposes
7 the tax nearest in miles to the person's home. The place of
8 employment shall be determined as of the day the taxpayer first
9 becomes subject to the tax during the calendar year.

10 (c) Disputes.--In case of a dispute, a tax receipt of the
11 taxing authority for that calendar year declaring that the
12 taxpayer has made prior payment constitutes prima facie
13 certification of payment to all other political subdivisions.

14 Section 3. Collection of tax.

15 (a) General rule.--Any municipality imposing the tax
16 authorized under section 2 shall designate the tax officer who
17 is appointed under section 10 of the act of December 31, 1965
18 (P.L.1257, No.511), known as The Local Tax Enabling Act, or
19 otherwise by law, as the collector of the tax. In the
20 performance of the tax collection duties under this act, the
21 designated tax officer shall have all the same powers, rights,
22 responsibilities and duties for the collection of the taxes
23 which may be imposed under The Local Tax Enabling Act, under 53
24 Pa.C.S. Ch. 84 Subch. C (relating to local taxpayers bill of
25 rights), or as otherwise provided by law.

26 (b) Ordinance.--The ordinance or resolution imposing the tax
27 under the authority of this act may contain provisions requiring
28 employers doing business within the municipality imposing the
29 tax to withhold the tax from the compensation of those of their
30 employees who are subject to the tax on a weekly basis and may

1 prescribe the time and method through which the employer shall
2 remit the taxes deducted to the tax officer.

3 Section 4. Tax exemption.

4 A municipality that imposes the tax authorized under section
5 2 may exempt from the payment of that tax any person whose total
6 income from all sources is less than \$10,000. A municipality may
7 adopt regulations for the processing of claims for exemptions.

8 Section 5. Adoption of ordinance or resolution.

9 In order to levy the tax under section 2, the governing body
10 shall adopt an ordinance or resolution referring to this act.
11 Prior to adopting an ordinance or resolution imposing the tax
12 authorized by section 2, the governing body shall give public
13 notice of its intent to adopt the ordinance or resolution in the
14 manner provided by section 4 of the act of December 31, 1965
15 (P.L.1257, No.511), known as The Local Tax Enabling Act, and
16 shall conduct at least one public hearing regarding the proposed
17 adoption of the ordinance or resolution.

18 Section 6. Certain rates of taxation limited.

19 If a municipality and a school district both impose an
20 occupational privilege tax on the same individual under the act
21 of December 31, 1965 (P.L.1257, No.511), known as The Local Tax
22 Enabling Act, and the municipality and the school district are
23 limited to or have agreed upon a division of the tax rate in
24 accordance with section 8 of The Local Tax Enabling Act, then
25 the school district that continues to levy the occupational
26 privilege tax under The Local Tax Enabling Act shall remain
27 subject to that limitation or agreement in the event that the
28 municipality opts to impose a municipal services privilege tax
29 under section 2.

30 Section 7. Prohibition.

1 Any municipality levying the tax authorized under section 2
2 shall be prohibited from levying an occupational privilege tax
3 under the act of December 31, 1965 (P.L.1257, No.511), known as
4 The Local Tax Enabling Act.

5 Section 8. Intent.

6 It is the intent of the General Assembly that no individual
7 subject to the municipal services tax imposed and collected by a
8 municipality under this act and also subject to an occupational
9 privilege tax imposed by another political subdivision pursuant
10 to the act of December 31, 1965 (P.L.1257, No.511), known as The
11 Local Tax Enabling Act, shall pay more than \$52 in any calendar
12 year to all political subdivisions imposing such taxes.

13 Section 9. Effective date.

14 This act shall take effect immediately.