

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2257 Session of
2015

INTRODUCED BY PETRI, BARRAR, DIGIROLAMO, MILLARD, STAATS,
TRUITT, HARPER AND SANTARSIERO, JUNE 27, 2016

REFERRED TO COMMITTEE ON FINANCE, JUNE 27, 2016

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," in
22 local taxes, further providing for payment of tax to other
23 political subdivisions or states as credit or deduction and
24 withholding tax.

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

27 Section 1. Section 317 of the act of December 31, 1965
28 (P.L.1257, No.511), known as The Local Tax Enabling Act,
29 renumbered and amended July 2, 2008 (P.L.197, No.32), is amended

1 to read:

2 Section 317. Payment of Tax to Other Political Subdivisions
3 or States as Credit or Deduction; Withholding Tax.--[Payment of
4 any tax to any political subdivision pursuant to an ordinance or
5 resolution passed or adopted prior to the effective date of this
6 act shall be credited to and allowed as a deduction from the
7 liability of taxpayers for any like tax respectively on
8 salaries, wages, commissions, other compensation or on net
9 profits of businesses, professions or other activities and for
10 any income tax imposed by any other political subdivision of
11 this Commonwealth under the authority of this chapter.]

12 Payment of any tax on salaries, wages, commissions, other
13 compensation or on net profits of business, professions or other
14 activities to a political subdivision by residents thereof
15 pursuant to an ordinance or resolution [passed or adopted under
16 the authority of this chapter] shall be credited to and allowed
17 as a deduction from the liability of such persons for any other
18 like tax respectively on the same salaries, wages, commissions,
19 other compensation or on net profits of businesses, professions
20 or other activities imposed by any other political subdivision
21 of this Commonwealth [under the authority of this chapter].

22 Payment of any tax on income to any political subdivision by
23 residents thereof pursuant to an ordinance or resolution [passed
24 or adopted under the authority of this chapter] shall, to the
25 extent that such income includes salaries, wages, commissions,
26 other compensation or net profits of businesses, professions or
27 other activities, but in such proportion as hereinafter set
28 forth, be credited to and allowed as a deduction from the
29 liability of such persons for any other tax on the same
30 salaries, wages, commissions, other compensation or on net

1 profits of businesses, professions, or other activities imposed
2 by any other political subdivision of this Commonwealth [under
3 the authority of this chapter].

4 Payment of any tax on income to any state or to any political
5 subdivision thereof by residents thereof, pursuant to any State
6 or local law, may, at the discretion of the Pennsylvania
7 political subdivision imposing such tax, to the extent that such
8 income includes salaries, wages, commissions, or other
9 compensation or net profits of businesses, professions or other
10 activities but in such proportions as hereinafter set forth, be
11 credited to and allowed as a deduction from the liability of
12 such person for any other tax on the same salaries, wages,
13 commissions, other compensation or net profits of businesses,
14 professions or other activities imposed by any political
15 subdivision of this Commonwealth [under the authority of this
16 chapter], if residents of the political subdivision in
17 Pennsylvania receive credits and deductions of a similar kind to
18 a like degree from the tax on income imposed by the other state
19 or political subdivision thereof.

20 Payment of any tax on income to any State other than
21 Pennsylvania or to any political subdivision located outside the
22 boundaries of this Commonwealth, by residents of a political
23 subdivision located in Pennsylvania shall, to the extent that
24 such income includes salaries, wages, commissions, or other
25 compensation or net profits of businesses, professions or other
26 activities but in such proportions as hereinafter set forth, be
27 credited to and allowed as a deduction from the liability of
28 such person for any other tax on the same salaries, wages,
29 commissions, other compensation or net profits of businesses,
30 professions or other activities imposed by any political

1 subdivision of this Commonwealth [under the authority of this
2 chapter].

3 Where a credit or a deduction is allowable in any of the
4 several cases hereinabove provided, it shall be allowed in
5 proportion to the concurrent periods for which taxes are imposed
6 by the other state or respective political subdivisions, but not
7 in excess of the amount previously paid for a concurrent period.

8 No credit or deduction shall be allowed against any tax on
9 earned income imposed under authority of this chapter to the
10 extent of the amount of credit or deduction taken for the same
11 period by the taxpayer against any income tax imposed by the
12 Commonwealth of Pennsylvania under section 314 of the act of
13 March 4, 1971 (P.L.6, No.2) known as the "Tax Reform Code of
14 1971," on account of taxes imposed on income by other states or
15 by their political subdivisions.

16 Section 2. This act shall take effect in 60 days.