

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1312 Session of 2017

INTRODUCED BY PETRI, BARRAR, FARRY, GROVE, MILLARD, B. MILLER, MILNE, RYAN AND STAATS, MAY 5, 2017

REFERRED TO COMMITTEE ON FINANCE, MAY 5, 2017

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, is
 29 amended to read:

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

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

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

1 by any other political subdivision of this Commonwealth [under
2 the authority of this chapter].

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

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

1 chapter].

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

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

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