

ALLOW FIRST CLASS CITIES TO IMPOSE ADDITIONAL SCHOOL TAXES

Act of Aug. 9, 1963, P.L. 640, No. 338

Cl. 11

AN ACT

Empowering cities of the first class, coterminous with school districts of the first class, to authorize the boards of public education of such school districts to impose certain additional taxes for school district purposes, and providing for the levy, assessment and collection of such taxes.

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

Section 1. (a) The council of any city of the first class, coterminous with a school district of the first class may, by ordinance, authorize the board of public education of such school district to impose taxes for the purposes of such school district on any persons, transactions, occupations, privileges, subjects, and real and personal property which may now or hereafter be taxable by such city for general revenue purposes, except that no such ordinance shall authorize the imposition of a tax on the wages, salary or net income of any person not a resident of such school district.

(b) The council of any city of the first class, coterminous with a school district of the first class may, in addition, by ordinance authorize the board of public education of such school district to impose a tax on the income of all kinds from the ownership, lease, sale or other disposition of tangible and intangible real and personal property of persons who are residents of the school district, whether or not such income may presently be subject to tax by the city for general revenue purposes under the act of August 5, 1932 (P.L.45), as amended: Provided, That as to income received by residents after January 1, 1968, a tax on such income from property shall not be imposed at an annual rate higher than the then current annual rate of tax imposed or authorized by the council of the city upon the wages or net profits of such residents.

There shall be excluded from any tax under this act authorized by the city council of any city of the first class and levied by any school district of the first class:

(1) All interest on public loans issued by this Commonwealth or the United States, and public loans and obligations of any county, city, borough, town, township, school district, and incorporated district of this Commonwealth, and bonds and obligations of bodies corporate and politic of this Commonwealth known as municipal authorities;

(2) Interest and dividends received or credited on savings deposits and savings certificates issued by any private bank, building and loan association, savings and loan association, credit union, savings bank, bank, bank and trust company or trust company. For purposes of this paragraph a savings certificate means an instrument designated as a savings certificate or a savings bond and which either according to the

rules of the issuer in effect at the time the instrument is issued or when this act is approved, whichever is later, can only be originally issued to an individual or a nonprofit organization, or is non-negotiable; and

(3) Gains realized upon the sale, exchange or other disposition of tangible or intangible personal property or of real estate: Provided, That the property which produced such gains has been owned by the resident for a period of more than six months prior to the date of sale, exchange or other disposition.

(1 amended Nov. 16, 1967, P.L.500, No.244)

Section 2. The ordinance authorizing the tax shall fix the rate thereof, and provide for the levy, assessment and collection of the same. Such taxes shall be levied, assessed and collected in accordance with all provisions, restrictions, limitations, rights of notice and appeal as are applicable to like taxes imposed for city purposes.

Section 3. Nothing in this act shall be deemed to diminish, limit or qualify any power now or hereafter existing to impose, assess, levy or collect any tax or taxes in the manner or by the agency provided by law.

Section 3.1. The board of public education is authorized to adopt regulations for the administration of any tax or taxes which are authorized by city council to be levied under the authority of this act. Such regulations shall include provisions for the collection of the tax, bringing suit for unpaid taxes and issuing execution.

(3.1 added Nov. 16, 1967, P.L.500, No.244)

Section 3.2. If any sentence, clause, section or part of this act is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this act. It is hereby declared as the intent of the General Assembly that this act would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

(3.2 added Nov. 16, 1967, P.L.500, No.244)

Section 3.3. Nothing contained in this act shall be construed to empower any school district of the first class pursuant to the authority conferred upon it by the city council to levy and collect any taxes not within the taxing power of the school district under the Constitution and statutes of this Commonwealth and the Constitution and statutes of the United States.

(3.3 added Nov. 16, 1967, P.L.500, No.244)

Section 4. This act shall take effect immediately.