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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 157      Session of  
2005

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INTRODUCED BY ARMSTRONG, VANCE, GORDNER, THOMPSON, PILEGGI,  
EARLL, COSTA, KASUNIC, ORIE, LOGAN, ROBBINS, WONDERLING,  
BOSCOLA, M. WHITE, WAUGH, WENGER, FUMO, PIPPY AND D. WHITE,  
FEBRUARY 2, 2005

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AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,  
AS AMENDED, JUNE 30, 2005

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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 employees 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; and making editorial changes.~~ <— THE  
24 DELEGATION OF TAXING POWERS AND RESTRICTIONS THEREON;  
25 REPEALING PROVISIONS RELATING TO CONTINUATION OF OCCUPATIONAL  
26 PRIVILEGE TAXES; AND MAKING EDITORIAL CHANGES.

27 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2       ~~Section 1. Section 2 of the act of December 31, 1965~~ <—  
3       ~~(P.L.1257, No.511), known as The Local Tax Enabling Act, amended~~  
4       ~~December 1, 2004 (P.L.1729, No.222), is amended to read:~~

5       ~~Section 2. Delegation of Taxing Powers and Restrictions~~  
6       ~~Thereon. The duly constituted authorities of the following~~  
7       ~~political subdivisions, cities of the second class, cities of~~  
8       ~~the second class A, cities of the third class, boroughs, towns,~~  
9       ~~townships of the first class, townships of the second class,~~  
10       ~~school districts of the second class, school districts of the~~  
11       ~~third class, and school districts of the fourth class, in all~~  
12       ~~cases including independent school districts, may, in their~~  
13       ~~discretion, by ordinance or resolution, for general revenue~~  
14       ~~purposes, levy, assess and collect or provide for the levying,~~  
15       ~~assessment and collection of such taxes as they shall determine~~  
16       ~~on persons, transactions, occupations, privileges, subjects and~~  
17       ~~personal property within the limits of such political~~  
18       ~~subdivisions, and upon the transfer of real property, or of any~~  
19       ~~interest in real property, situate within the political~~  
20       ~~subdivision levying and assessing the tax, regardless of where~~  
21       ~~the instruments making the transfers are made, executed or~~  
22       ~~delivered or where the actual settlements on such transfer take~~  
23       ~~place. The taxing authority may provide that the transferee~~  
24       ~~shall remain liable for any unpaid realty transfer taxes imposed~~  
25       ~~by virtue of this act. Each local taxing authority may, by~~  
26       ~~ordinance or resolution, exempt any person whose total income~~  
27       ~~from all sources is less than twelve thousand dollars (\$12,000)~~  
28       ~~per annum from the per capita or similar head tax, occupation~~  
29       ~~tax [and emergency and municipal services tax,] or earned income~~  
30       ~~tax, or any portion thereof, and may adopt regulations for the~~

~~processing of claims for exemptions. Each local taxing authority shall by ordinance or resolution exempt any person whose total income from all sources is less than twelve thousand dollars (\$12,000) per annum from the emergency and municipal services tax. Such local authorities shall not have authority by virtue of this act:~~

~~(1) To levy, assess and collect or provide for the levying, assessment and collection of any tax on the transfer of real property when the transfer is by will or mortgage or the intestate laws of this Commonwealth or on a transfer by the owner of previously occupied residential premises to a builder of new residential premises when such previously occupied residential premises is taken in trade by such builder as part of the consideration from the purchaser of a new previously unoccupied single family residential premises or on a transfer between corporations operating housing projects pursuant to the housing and redevelopment assistance law and the shareholders thereof, or on a transfer between nonprofit industrial development agencies and industrial corporations purchasing from them, or on transfer to or from nonprofit industrial development agencies, or on a transfer between husband and wife, or on a transfer between persons who were previously husband and wife but who have since been divorced; provided such transfer is made within three months of the date of the granting of the final decree in divorce, or the decree of equitable distribution of marital property, whichever is later, and the property or interest therein, subject to such transfer, was acquired by the husband and wife, or husband or wife, prior to the granting of the final decree in divorce, or on a transfer between parent and child or the spouse of such a child, or between parent and~~

~~1 trustee for the benefit of a child or the spouse of such child,  
2 or on a transfer between a grandparent and grandchild or the  
3 spouse of such grandchild, or on a transfer between brother and  
4 sister or brother and brother or sister and sister or the spouse  
5 of such brother or sister, or on a transfer to a conservancy  
6 which possesses a tax exempt status pursuant to section  
7 501(c)(3) of the Internal Revenue Code, and which has as its  
8 primary purpose the preservation of land for historic,  
9 recreational, scenic, agricultural or open space opportunities,  
10 by and between a principal and straw party for the purpose of  
11 placing a mortgage or ground rent upon the premises, or on a  
12 correctional deed without consideration, or on a transfer to the  
13 United States, the Commonwealth of Pennsylvania, or to any of  
14 their instrumentalities, agencies or political subdivisions, by  
15 gift, dedication or deed in lieu of condemnation, or deed of  
16 confirmation in connection with condemnation proceedings, or  
17 reconveyance by the condemning body of the property condemned to  
18 the owner of record at the time of condemnation which  
19 reconveyance may include property line adjustments provided said  
20 reconveyance is made within one year from the date of  
21 condemnation, leases, or on a conveyance to a trustee under a  
22 recorded trust agreement for the express purpose of holding  
23 title in trust as security for a debt contracted at the time of  
24 the conveyance under which the trustee is not the lender and  
25 requiring the trustee to make reconveyance to the grantor  
26 borrower upon the repayment of the debt, or a transfer within a  
27 family from a sole proprietor family member to a family farm  
28 corporation, or in any sheriff sale instituted by a mortgagee in  
29 which the purchaser of said sheriff sale is the mortgagee who  
30 instituted said sale, or on a privilege, transaction, subject,~~

~~occupation or personal property which is now or does hereafter  
become subject to a State tax or license fee;~~

~~(2) To levy, assess or collect a tax on the gross receipts  
from utility service of any person or company whose rates and  
services are fixed and regulated by the Pennsylvania Public  
Utility Commission or on any public utility services rendered by  
any such person or company or on any privilege or transaction  
involving the rendering of any such public utility service;~~

~~(3) Except on sales of admission to places of amusement or  
on sales or other transfers of title or possession of property,  
to levy, assess or collect a tax on the privilege of employing  
such tangible property as is now or does hereafter become  
subject to a State tax; and for the purposes of this clause,  
real property rented for camping purposes shall not be  
considered a place of amusement.~~

~~(4) To levy, assess and collect a tax on goods and articles  
manufactured in such political subdivision or on the by products  
of manufacture, or on minerals, timber, natural resources and  
farm products produced in such political subdivision or on the  
preparation or processing thereof for use or market, or on any  
privilege, act or transaction related to the business of  
manufacturing, the production, preparation or processing of  
minerals, timber and natural resources, or farm products, by  
manufacturers, by producers and by farmers with respect to the  
goods, articles and products of their own manufacture,  
production or growth, or on any privilege, act or transaction  
relating to the business of processing by products of  
manufacture, or on the transportation, loading, unloading or  
dumping or storage of such goods, articles, products or by-  
products; except that local authorities may levy, assess and~~

~~collect an emergency and municipal services tax and taxes on the  
occupation, per capita and earned income or net profits of  
natural persons engaged in the above activities whether doing  
business as individual proprietorship or as members of  
partnerships or other associations;~~

~~(5) To levy, assess or collect a tax on salaries, wages,  
commissions, compensation and earned income of nonresidents of  
the political subdivisions: Provided, That this limitation (5)  
shall apply only to school districts of the second, third and  
fourth classes;~~

~~(6) To levy, assess or collect a tax on personal property  
subject to taxation by counties or on personal property owned by  
persons, associations and corporations specifically exempted by  
law from taxation under the county personal property tax law:  
Provided, That this limitation (6) shall not apply to cities of  
the second class;~~

~~(7) To levy, assess or collect a tax on membership in or  
membership dues, fees or assessment of charitable, religious,  
beneficial or nonprofit organizations including but not limited  
to sportsmens, recreational, golf and tennis clubs, girl and boy  
scout troops and councils;~~

~~(8) To levy, assess or collect any tax on a mobilehome or  
house trailer subject to a real property tax unless the same tax  
is levied, assessed and collected on other real property in the  
political subdivision.~~

~~(9) To levy, assess or collect any tax on individuals for  
the privilege of engaging in an occupation (emergency and  
municipal services tax) except that such a tax may be levied,  
assessed and collected only by the political subdivision of the  
taxpayer's place of employment.~~

1       ~~Payment of any emergency and municipal services tax to any~~  
2 ~~political subdivision by any person pursuant to an ordinance or~~  
3 ~~resolution passed or adopted under the authority of this act~~  
4 ~~shall be no [less than ten dollars (\$10)] more than twenty five~~  
5 ~~percent of the tax levied on each person for any quarter in a~~  
6 ~~calendar year nor more than fifty two dollars (\$52) on each~~  
7 ~~person for each calendar year[.], irrespective of the number of~~  
8 ~~political subdivisions within which such person may be employed.~~  
9 ~~Notwithstanding any other provision of law, a taxpayer shall not~~  
10 ~~be liable for an amount of tax in excess of the tax authorized~~  
11 ~~to be collected under this clause. If a municipality does not~~  
12 ~~levy the emergency and municipal services tax, the school~~  
13 ~~district which includes such municipality boundaries, in whole~~  
14 ~~or in part, may levy the emergency and municipal services tax~~  
15 ~~and collect no more than ten dollars (\$10) on each person for~~  
16 ~~each calendar year. If a municipality levies the emergency and~~  
17 ~~municipal services tax and the school district levies such tax,~~  
18 ~~the school district may only collect five dollars (\$5) on each~~  
19 ~~person for each calendar year; and, subject to the quarterly~~  
20 ~~twenty five percent limitation of this paragraph, this five~~  
21 ~~dollars (\$5) per person shall be paid to the school district~~  
22 ~~from the funds levied and collected by the municipality.~~

23       ~~The situs of such tax shall be the place of employment, but,~~  
24 ~~in the event a person is engaged in more than one occupation, or~~  
25 ~~an occupation which requires his working in more than one~~  
26 ~~political subdivision during the calendar year, the priority of~~  
27 ~~claim to collect such emergency and municipal services tax shall~~  
28 ~~be in the following order: first, the political subdivision in~~  
29 ~~which a person maintains his principal office or is principally~~  
30 ~~employed; second, the political subdivision in which the person~~

1 ~~resides and works, if such a tax is levied by that political~~  
2 ~~subdivision; third, the political subdivision in which a person~~  
3 ~~is employed and which imposes the tax nearest in miles to the~~  
4 ~~person's home. The place of employment shall be determined as of~~  
5 ~~the day the taxpayer first becomes subject to the tax [during~~  
6 ~~the calendar year.~~

7 ~~It is the intent of this provision that no person shall pay~~  
8 ~~more than fifty two dollars (\$52) in any calendar year as an~~  
9 ~~emergency and municipal services tax irrespective of the number~~  
10 ~~of political subdivisions within which such person may be~~  
11 ~~employed within any given calendar year.] within a political~~  
12 ~~subdivision.~~

13 ~~In case of dispute, a tax receipt of the [taxing authority]~~  
14 ~~political subdivision for that calendar year declaring that the~~  
15 ~~taxpayer has made prior payment which constitutes prima facie~~  
16 ~~certification of payment to all other political subdivisions.~~

17 ~~(10) To levy, assess or collect a tax on admissions to~~  
18 ~~motion picture theatres: Provided, That this limitation (10)~~  
19 ~~shall not apply to cities of the second class.~~

20 ~~(11) To levy, assess or collect a tax on the construction of~~  
21 ~~or improvement to residential dwellings or upon the application~~  
22 ~~for or issuance of permits for the construction of or~~  
23 ~~improvements to residential dwellings.~~

24 ~~(12) To levy, assess and collect a mercantile or business~~  
25 ~~privilege tax on gross receipts or part thereof which are: (i)~~  
26 ~~discounts allowed to purchasers as cash discounts for prompt~~  
27 ~~payment of their bills; (ii) charges advanced by a seller for~~  
28 ~~freight, delivery or other transportation for the purchaser in~~  
29 ~~accordance with the terms of a contract of sale; (iii) received~~  
30 ~~upon the sale of an article of personal property which was~~



1 ~~acquired by the seller as a trade in to the extent that the~~  
2 ~~gross receipts in the sale of the article taken in trade does~~  
3 ~~not exceed the amount of trade in allowance made in acquiring~~  
4 ~~such article; (iv) refunds, credits or allowances given to a~~  
5 ~~purchaser on account of defects in goods sold or merchandise~~  
6 ~~returned; (v) Pennsylvania sales tax; (vi) based on the value of~~  
7 ~~exchanges or transfers between one seller and another seller who~~  
8 ~~transfers property with the understanding that property of an~~  
9 ~~identical description will be returned at a subsequent date;~~  
10 ~~however, when sellers engaged in similar lines of business~~  
11 ~~exchange property and one of them makes payment to the other in~~  
12 ~~addition to the property exchanged, the additional payment~~  
13 ~~received may be included in the gross receipts of the seller~~  
14 ~~receiving such additional cash payments; (vii) of sellers from~~  
15 ~~sales to other sellers in the same line where the seller~~  
16 ~~transfers the title or possession at the same price for which~~  
17 ~~the seller acquired the merchandise; or (viii) transfers between~~  
18 ~~one department, branch or division of a corporation or other~~  
19 ~~business entity of goods, wares and merchandise to another~~  
20 ~~department, branch or division of the same corporation or~~  
21 ~~business entity and which are recorded on the books to reflect~~  
22 ~~such interdepartmental transactions.~~

23 ~~(13) To levy, assess or collect an amusement or admissions~~  
24 ~~tax on membership, membership dues, fees or assessments,~~  
25 ~~donations, contributions or monetary charges of any character~~  
26 ~~whatsoever paid by the general public, or a limited or selected~~  
27 ~~number thereof, for such persons to enter into any place,~~  
28 ~~indoors or outdoors, to engage in any activities, the~~  
29 ~~predominant purpose or nature of which is exercise, fitness,~~  
30 ~~health maintenance, improvement or rehabilitation, health or~~

1 ~~nutrition education, or weight control.~~

2 ~~(14) Except by cities of the second class, to levy, assess~~  
3 ~~or collect a tax on payroll amounts generated as a result of~~  
4 ~~business activity.~~

5 ~~(15) Except by cities of the second class in which a sports~~  
6 ~~stadium or arena that has received public funds in connection~~  
7 ~~with its construction or maintenance is located, to levy, assess~~  
8 ~~and collect a publicly funded facility usage fee upon those~~  
9 ~~nonresident individuals who use such facility to engage in an~~  
10 ~~athletic event or otherwise render a performance for which they~~  
11 ~~receive remuneration.~~

12 ~~(16) To levy, assess or collect an amusement or admissions~~  
13 ~~tax on the charge imposed upon a patron for the sale of~~  
14 ~~admission to or for the privilege of admission to a bowling~~  
15 ~~alley or bowling lane to engage in one or more games of bowling.~~

16 ~~Section 2. Section 9 of the act, amended December 12, 1968~~  
17 ~~(P.L.1203, No.377), is amended to read:~~

18 ~~Section 9. Register for Earned Income and [Occupational~~  
19 ~~Privilege] Emergency and Municipal Services Taxes. It shall be~~  
20 ~~the duty of the [Department of Community Affairs] Department of~~  
21 ~~Community and Economic Development to have available an official~~  
22 ~~continuing register supplemented annually of all earned income~~  
23 ~~and [occupational privilege] emergency and municipal services~~  
24 ~~taxes levied under authority of this act. The register and its~~  
25 ~~supplements, hereinafter referred to as the register, shall list~~  
26 ~~such jurisdictions levying earned income and/or [occupational~~  
27 ~~privilege] emergency and municipal services taxes, the rate of~~  
28 ~~the tax as stated in the tax levying ordinance or resolution,~~  
29 ~~and the effective rate on resident and nonresident taxpayers, if~~  
30 ~~different from the stated rate because of a coterminous levy,~~

~~the name and address of the officer responsible for administering the collection of the tax and from whom information, forms for reporting and copies of rules and regulations are available. With each jurisdiction listed, all jurisdictions making coterminous levies shall also be noted and their tax rates shown.~~

~~Information for the register shall be furnished by the secretary of each taxing body to the [Department of Community Affairs] Department of Community and Economic Development in such manner and on such forms as the [Department of Community Affairs] Department of Community and Economic Development may prescribe. The information must be received by the [Department of Community Affairs] Department of Community and Economic Development by certified mail not later than May 31 of each year to show new tax enactments, repeals and changes. Failure to comply with this date for filing may result in the omission of the levy from the register for that year. Failure of the [Department of Community Affairs] Department of Community and Economic Development to receive information of taxes continued without change may be construed by the department to mean that the information contained in the previous register remains in force.~~

~~The [Department of Community Affairs] Department of Community and Economic Development shall have the register with such annual supplements as may be required by new tax enactments, repeals or changes available upon request not later than July 1 of each year. The effective period for each register shall be from July 1 of the year in which it is issued to June 30 of the following year.~~

~~Employers shall not be required by any local ordinance to~~

1 ~~withhold from the wages, salaries, commissions or other~~  
2 ~~compensation of their employees any tax imposed under the~~  
3 ~~provisions of this act, which is not listed in the register, or~~  
4 ~~make reports of wages, salaries, commissions or other~~  
5 ~~compensation in connection with taxes not so listed: Provided,~~  
6 ~~That if the register is not available by July 1, the register of~~  
7 ~~the previous year shall continue temporarily in effect for an~~  
8 ~~additional period not to exceed one year. The provisions of this~~  
9 ~~section shall not affect the liability of any taxpayer for taxes~~  
10 ~~lawfully imposed under this act.~~

11 ~~Ordinances or resolutions imposing earned income or~~  
12 ~~{occupational privilege} emergency and municipal services taxes~~  
13 ~~under authority of this act may contain provisions requiring~~  
14 ~~employers doing business within the jurisdiction of the~~  
15 ~~political subdivision imposing the tax to withhold the tax from~~  
16 ~~the compensation of those of their employees who are subject to~~  
17 ~~the tax: Provided, That no employer shall be held liable for~~  
18 ~~failure to withhold earned income taxes or for the payment of~~  
19 ~~such withheld tax money to a political subdivision other than~~  
20 ~~the political subdivision entitled to receive such money if such~~  
21 ~~failure to withhold or such incorrect transmittal of withheld~~  
22 ~~taxes arises from incorrect information as to the employee's~~  
23 ~~place of residence submitted by the employee: And provided~~  
24 ~~further, That employers shall not be required by any local~~  
25 ~~ordinance to withhold from compensation for any one of their~~  
26 ~~employees for the {occupational privilege} emergency and~~  
27 ~~municipal services tax more than one time in any {fiscal period}~~  
28 ~~quarter of the calendar year, and shall not be required to remit~~  
29 ~~such tax until thirty (30) days after the end of such quarter of~~  
30 ~~a calendar year: And provided further, That the {occupational~~

1 ~~privilege] emergency and municipal services tax shall be~~  
2 ~~applicable to employment in the period beginning January 1, of~~  
3 ~~the current year and ending December 31 of the current year,~~  
4 ~~except that taxes imposed for the first time shall become~~  
5 ~~effective from the date specified in the ordinance or~~  
6 ~~resolution, and the tax shall continue in force on a calendar~~  
7 ~~year basis.~~

8 ~~Section 3. Section 22.5 of the act, added December 1, 2004~~  
9 ~~(P.L.1729, No.222), is amended to read:~~

10 ~~Section 22.5. Restricted Use. (a) Any municipality~~  
11 ~~deriving funds from the emergency and municipal services tax may~~  
12 ~~only use the funds for:~~

13 ~~(1) police, fire and/or emergency services;~~

14 ~~(2) road construction and/or maintenance; [or]~~

15 ~~(3) reduction of property taxes[.]; or~~

16 ~~(4) property tax relief through implementation of a~~  
17 ~~homestead and farmstead exclusion in accordance with 53 Pa.C.S.~~  
18 ~~Ch. 85 Subch. F (relating to homestead property exclusion).~~

19 ~~(a.1) In the event that a municipality determines to~~  
20 ~~implement a homestead and farmstead exclusion for purposes of~~  
21 ~~providing property tax relief in accordance with subsection~~  
22 ~~(a)(4), the following shall apply:~~

23 ~~(1) The decision to provide a homestead and farmstead~~  
24 ~~exclusion shall be made, by ordinance, prior to December 1, with~~  
25 ~~the homestead and farmstead exclusion to take effect for the~~  
26 ~~fiscal year beginning the first day of January following~~  
27 ~~adoption of the ordinance. Upon adopting an ordinance in~~  
28 ~~accordance with this paragraph, a municipality shall, by first~~  
29 ~~class mail, notify the assessor, as defined in 53 Pa.C.S. § 8582~~  
30 ~~(relating to definitions), of its decision to provide a~~

~~homestead and farmstead exclusion.~~

~~(2) The assessor shall provide a municipality that will be imposing a homestead and farmstead exclusion in accordance with subsection (a)(4) with a certified report, as provided in 53 Pa.C.S. § 8584(i) (relating to administration and procedure), listing information regarding homestead and farmstead properties in the municipality as determined pursuant to applications filed with the assessor in connection with this or any other law under which a homestead or farmstead exclusion has been adopted. In the year in which an ordinance is adopted in accordance with paragraph (1), the assessor shall provide the certified report after being notified by the municipality of its decision to provide a homestead and farmstead exclusion. In each succeeding year, the assessor shall provide the certified report by December 1 or at the same time the tax duplicate is certified to the municipality, whichever occurs first. Any duty placed on an assessor in accordance with this paragraph shall be in addition to those established in 53 Pa.C.S. Ch. 85 Subch. F and the act of July 5, 2004 (P.L.654, No.72), known as the "Homeowner Tax Relief Act."~~

~~(3) Only homestead or farmstead properties identified in the certified report of the assessor obtained in any year shall be eligible to receive the exclusion for the next fiscal year.~~

~~(4) In the year in which a municipality adopts the ordinance evidencing its decision to implement a homestead and farmstead exclusion, the municipality shall notify by first class mail the owner of each parcel of residential property within the municipality of each of the following:~~

~~(i) That the homestead and farmstead exclusion program is to be implemented to provide property tax relief as authorized by~~

~~subsection (a)(4), beginning in the next fiscal year.~~

~~(ii) That only properties currently identified in the certified report of the assessor as having been approved in whole or in part, as homestead or farmstead properties, shall be entitled to an exclusion in the next fiscal year.~~

~~(iii) That owners of properties that have not been approved by the assessor as homestead or farmstead properties may file an application in accordance with 53 Pa.C.S. § 8584(a), by the annual application deadline of March 1, in order to qualify for the program in the year following the next fiscal year.~~

~~The one time notice required by this paragraph may be combined and made together with the annual notice required by paragraph (6).~~

~~(5) Both in the year in which the initial decision to provide a homestead and farmstead exclusion is to be made and in each succeeding year, a municipality shall, by resolution, fix the dollar amount that is to be excluded from the assessed value of each homestead and farmstead property for the next fiscal year, consistent with 53 Pa.C.S. §§ 8583 (relating to exclusion of homestead property) and 8586 (relating to limitations). This determination of the amount of the homestead and farmstead exclusion shall be made, after receipt of the tax duplicate and the certified report from the assessor, at the time the governing body of a municipality determines the municipal budget and estimates its emergency and municipal services tax revenues for the next fiscal year.~~

~~(6) Each year after the year in which the municipality implements a homestead and farmstead exclusion and no later than sixty days prior to the application deadline, the municipality shall give notice of the existence of the municipality's~~

~~homestead and farmstead exclusion program, the need to file an application in accordance with 53 Pa.C.S. § 8584(a) in order to qualify for the program, and the application deadline, which, in accordance with 53 Pa.C.S. § 8584(b), shall be March 1. This annual notice, which shall be given by first class mail, need only be sent to the owner of each parcel of residential property in the municipality which is not approved as homestead or farmstead property or for which the approval is due to expire.~~

~~(b) For the purpose of the emergency and municipal services tax, the term municipality does not include a school district.~~

~~Section 4. This act shall apply to taxes levied for tax years commencing on or after January 1, 2006.~~

~~Section 5. This act shall take effect January 1, 2006.~~

SECTION 1. SECTION 2 OF THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT, AMENDED DECEMBER 1, 2004 (P.L.1729, NO.222), IS AMENDED TO READ:

SECTION 2. DELEGATION OF TAXING POWERS AND RESTRICTIONS THEREON.--THE DULY CONSTITUTED AUTHORITIES OF THE FOLLOWING POLITICAL SUBDIVISIONS, CITIES OF THE SECOND CLASS, CITIES OF THE SECOND CLASS A, CITIES OF THE THIRD CLASS, BOROUGHs, TOWNS, TOWNSHIPS OF THE FIRST CLASS, TOWNSHIPS OF THE SECOND CLASS, SCHOOL DISTRICTS OF THE SECOND CLASS, SCHOOL DISTRICTS OF THE THIRD CLASS, AND SCHOOL DISTRICTS OF THE FOURTH CLASS, IN ALL CASES INCLUDING INDEPENDENT SCHOOL DISTRICTS, MAY, IN THEIR DISCRETION, BY ORDINANCE OR RESOLUTION, FOR GENERAL REVENUE PURPOSES, LEVY, ASSESS AND COLLECT OR PROVIDE FOR THE LEVYING, ASSESSMENT AND COLLECTION OF SUCH TAXES AS THEY SHALL DETERMINE ON PERSONS, TRANSACTIONS, OCCUPATIONS, PRIVILEGES, SUBJECTS AND PERSONAL PROPERTY WITHIN THE LIMITS OF SUCH POLITICAL SUBDIVISIONS, AND UPON THE TRANSFER OF REAL PROPERTY, OR OF ANY



1 INTEREST IN REAL PROPERTY, SITUATE WITHIN THE POLITICAL  
2 SUBDIVISION LEVYING AND ASSESSING THE TAX, REGARDLESS OF WHERE  
3 THE INSTRUMENTS MAKING THE TRANSFERS ARE MADE, EXECUTED OR  
4 DELIVERED OR WHERE THE ACTUAL SETTLEMENTS ON SUCH TRANSFER TAKE  
5 PLACE. THE TAXING AUTHORITY MAY PROVIDE THAT THE TRANSFEREE  
6 SHALL REMAIN LIABLE FOR ANY UNPAID REALTY TRANSFER TAXES IMPOSED  
7 BY VIRTUE OF THIS ACT. EACH LOCAL TAXING AUTHORITY MAY, BY  
8 ORDINANCE OR RESOLUTION, EXEMPT ANY PERSON WHOSE TOTAL INCOME  
9 FROM ALL SOURCES IS LESS THAN TWELVE THOUSAND DOLLARS (\$12,000)  
10 PER ANNUM FROM THE PER CAPITA OR SIMILAR HEAD TAX, OCCUPATION  
11 TAX AND [EMERGENCY AND MUNICIPAL SERVICES TAX] OCCUPATIONAL  
12 PRIVILEGE TAX, OR EARNED INCOME TAX, OR ANY PORTION THEREOF, AND  
13 MAY ADOPT REGULATIONS FOR THE PROCESSING OF CLAIMS FOR  
14 EXEMPTIONS. EACH MUNICIPALITY SHALL BY ORDINANCE OR RESOLUTION  
15 EXEMPT ANY PERSON WHOSE TOTAL INCOME FROM ALL SOURCES IS LESS  
16 THAN TWELVE THOUSAND DOLLARS (\$12,000) FOR THE IMMEDIATELY PRIOR  
17 CALENDAR YEAR FROM THE MUNICIPAL SERVICES TAX. SUCH LOCAL  
18 AUTHORITIES SHALL NOT HAVE AUTHORITY BY VIRTUE OF THIS ACT:  
19 (1) TO LEVY, ASSESS AND COLLECT OR PROVIDE FOR THE LEVYING,  
20 ASSESSMENT AND COLLECTION OF ANY TAX ON THE TRANSFER OF REAL  
21 PROPERTY WHEN THE TRANSFER IS BY WILL OR MORTGAGE OR THE  
22 INTESTATE LAWS OF THIS COMMONWEALTH OR ON A TRANSFER BY THE  
23 OWNER OF PREVIOUSLY OCCUPIED RESIDENTIAL PREMISES TO A BUILDER  
24 OF NEW RESIDENTIAL PREMISES WHEN SUCH PREVIOUSLY OCCUPIED  
25 RESIDENTIAL PREMISES IS TAKEN IN TRADE BY SUCH BUILDER AS PART  
26 OF THE CONSIDERATION FROM THE PURCHASER OF A NEW PREVIOUSLY  
27 UNOCCUPIED SINGLE FAMILY RESIDENTIAL PREMISES OR ON A TRANSFER  
28 BETWEEN CORPORATIONS OPERATING HOUSING PROJECTS PURSUANT TO THE  
29 HOUSING AND REDEVELOPMENT ASSISTANCE LAW AND THE SHAREHOLDERS  
30 THEREOF, OR ON A TRANSFER BETWEEN NONPROFIT INDUSTRIAL

1 DEVELOPMENT AGENCIES AND INDUSTRIAL CORPORATIONS PURCHASING FROM  
2 THEM, OR ON TRANSFER TO OR FROM NONPROFIT INDUSTRIAL DEVELOPMENT  
3 AGENCIES, OR ON A TRANSFER BETWEEN HUSBAND AND WIFE, OR ON A  
4 TRANSFER BETWEEN PERSONS WHO WERE PREVIOUSLY HUSBAND AND WIFE  
5 BUT WHO HAVE SINCE BEEN DIVORCED; PROVIDED SUCH TRANSFER IS MADE  
6 WITHIN THREE MONTHS OF THE DATE OF THE GRANTING OF THE FINAL  
7 DECREE IN DIVORCE, OR THE DECREE OF EQUITABLE DISTRIBUTION OF  
8 MARITAL PROPERTY, WHICHEVER IS LATER, AND THE PROPERTY OR  
9 INTEREST THEREIN, SUBJECT TO SUCH TRANSFER, WAS ACQUIRED BY THE  
10 HUSBAND AND WIFE, OR HUSBAND OR WIFE, PRIOR TO THE GRANTING OF  
11 THE FINAL DECREE IN DIVORCE, OR ON A TRANSFER BETWEEN PARENT AND  
12 CHILD OR THE SPOUSE OF SUCH A CHILD, OR BETWEEN PARENT AND  
13 TRUSTEE FOR THE BENEFIT OF A CHILD OR THE SPOUSE OF SUCH CHILD,  
14 OR ON A TRANSFER BETWEEN A GRANDPARENT AND GRANDCHILD OR THE  
15 SPOUSE OF SUCH GRANDCHILD, OR ON A TRANSFER BETWEEN BROTHER AND  
16 SISTER OR BROTHER AND BROTHER OR SISTER AND SISTER OR THE SPOUSE  
17 OF SUCH BROTHER OR SISTER, OR ON A TRANSFER TO A CONSERVANCY  
18 WHICH POSSESSES A TAX-EXEMPT STATUS PURSUANT TO SECTION  
19 501(C)(3) OF THE INTERNAL REVENUE CODE, AND WHICH HAS AS ITS  
20 PRIMARY PURPOSE THE PRESERVATION OF LAND FOR HISTORIC,  
21 RECREATIONAL, SCENIC, AGRICULTURAL OR OPEN SPACE OPPORTUNITIES,  
22 BY AND BETWEEN A PRINCIPAL AND STRAW PARTY FOR THE PURPOSE OF  
23 PLACING A MORTGAGE OR GROUND RENT UPON THE PREMISES, OR ON A  
24 CORRECTIONAL DEED WITHOUT CONSIDERATION, OR ON A TRANSFER TO THE  
25 UNITED STATES, THE COMMONWEALTH OF PENNSYLVANIA, OR TO ANY OF  
26 THEIR INSTRUMENTALITIES, AGENCIES OR POLITICAL SUBDIVISIONS, BY  
27 GIFT, DEDICATION OR DEED IN LIEU OF CONDEMNATION, OR DEED OF  
28 CONFIRMATION IN CONNECTION WITH CONDEMNATION PROCEEDINGS, OR  
29 RECONVEYANCE BY THE CONDEMNING BODY OF THE PROPERTY CONDEMNED TO  
30 THE OWNER OF RECORD AT THE TIME OF CONDEMNATION WHICH

1 RECONVEYANCE MAY INCLUDE PROPERTY LINE ADJUSTMENTS PROVIDED SAID  
2 RECONVEYANCE IS MADE WITHIN ONE YEAR FROM THE DATE OF  
3 CONDEMNATION, LEASES, OR ON A CONVEYANCE TO A TRUSTEE UNDER A  
4 RECORDED TRUST AGREEMENT FOR THE EXPRESS PURPOSE OF HOLDING  
5 TITLE IN TRUST AS SECURITY FOR A DEBT CONTRACTED AT THE TIME OF  
6 THE CONVEYANCE UNDER WHICH THE TRUSTEE IS NOT THE LENDER AND  
7 REQUIRING THE TRUSTEE TO MAKE RECONVEYANCE TO THE GRANTOR-  
8 BORROWER UPON THE REPAYMENT OF THE DEBT, OR A TRANSFER WITHIN A  
9 FAMILY FROM A SOLE PROPRIETOR FAMILY MEMBER TO A FAMILY FARM  
10 CORPORATION, OR IN ANY SHERIFF SALE INSTITUTED BY A MORTGAGEE IN  
11 WHICH THE PURCHASER OF SAID SHERIFF SALE IS THE MORTGAGEE WHO  
12 INSTITUTED SAID SALE, OR ON A PRIVILEGE, TRANSACTION, SUBJECT,  
13 OCCUPATION OR PERSONAL PROPERTY WHICH IS NOW OR DOES HEREAFTER  
14 BECOME SUBJECT TO A STATE TAX OR LICENSE FEE;

15 (2) TO LEVY, ASSESS OR COLLECT A TAX ON THE GROSS RECEIPTS  
16 FROM UTILITY SERVICE OF ANY PERSON OR COMPANY WHOSE RATES AND  
17 SERVICES ARE FIXED AND REGULATED BY THE PENNSYLVANIA PUBLIC  
18 UTILITY COMMISSION OR ON ANY PUBLIC UTILITY SERVICES RENDERED BY  
19 ANY SUCH PERSON OR COMPANY OR ON ANY PRIVILEGE OR TRANSACTION  
20 INVOLVING THE RENDERING OF ANY SUCH PUBLIC UTILITY SERVICE;

21 (3) EXCEPT ON SALES OF ADMISSION TO PLACES OF AMUSEMENT OR  
22 ON SALES OR OTHER TRANSFERS OF TITLE OR POSSESSION OF PROPERTY,  
23 TO LEVY, ASSESS OR COLLECT A TAX ON THE PRIVILEGE OF EMPLOYING  
24 SUCH TANGIBLE PROPERTY AS IS NOW OR DOES HEREAFTER BECOME  
25 SUBJECT TO A STATE TAX; AND FOR THE PURPOSES OF THIS CLAUSE,  
26 REAL PROPERTY RENTED FOR CAMPING PURPOSES SHALL NOT BE  
27 CONSIDERED A PLACE OF AMUSEMENT.

28 (4) TO LEVY, ASSESS AND COLLECT A TAX ON GOODS AND ARTICLES  
29 MANUFACTURED IN SUCH POLITICAL SUBDIVISION OR ON THE BY-PRODUCTS  
30 OF MANUFACTURE, OR ON MINERALS, TIMBER, NATURAL RESOURCES AND

1 FARM PRODUCTS PRODUCED IN SUCH POLITICAL SUBDIVISION OR ON THE  
2 PREPARATION OR PROCESSING THEREOF FOR USE OR MARKET, OR ON ANY  
3 PRIVILEGE, ACT OR TRANSACTION RELATED TO THE BUSINESS OF  
4 MANUFACTURING, THE PRODUCTION, PREPARATION OR PROCESSING OF  
5 MINERALS, TIMBER AND NATURAL RESOURCES, OR FARM PRODUCTS, BY  
6 MANUFACTURERS, BY PRODUCERS AND BY FARMERS WITH RESPECT TO THE  
7 GOODS, ARTICLES AND PRODUCTS OF THEIR OWN MANUFACTURE,  
8 PRODUCTION OR GROWTH, OR ON ANY PRIVILEGE, ACT OR TRANSACTION  
9 RELATING TO THE BUSINESS OF PROCESSING BY-PRODUCTS OF  
10 MANUFACTURE, OR ON THE TRANSPORTATION, LOADING, UNLOADING OR  
11 DUMPING OR STORAGE OF SUCH GOODS, ARTICLES, PRODUCTS OR BY-  
12 PRODUCTS; EXCEPT THAT LOCAL AUTHORITIES MAY LEVY, ASSESS AND  
13 COLLECT [AN EMERGENCY AND] A MUNICIPAL SERVICES TAX AND TAXES ON  
14 THE OCCUPATION, PER CAPITA AND EARNED INCOME OR NET PROFITS OF  
15 NATURAL PERSONS ENGAGED IN THE ABOVE ACTIVITIES WHETHER DOING  
16 BUSINESS AS INDIVIDUAL PROPRIETORSHIP OR AS MEMBERS OF  
17 PARTNERSHIPS OR OTHER ASSOCIATIONS;

18 (5) TO LEVY, ASSESS OR COLLECT A TAX ON SALARIES, WAGES,  
19 COMMISSIONS, COMPENSATION AND EARNED INCOME OF NONRESIDENTS OF  
20 THE POLITICAL SUBDIVISIONS: PROVIDED, THAT THIS LIMITATION (5)  
21 SHALL APPLY ONLY TO SCHOOL DISTRICTS OF THE SECOND, THIRD AND  
22 FOURTH CLASSES;

23 (6) TO LEVY, ASSESS OR COLLECT A TAX ON PERSONAL PROPERTY  
24 SUBJECT TO TAXATION BY COUNTIES OR ON PERSONAL PROPERTY OWNED BY  
25 PERSONS, ASSOCIATIONS AND CORPORATIONS SPECIFICALLY EXEMPTED BY  
26 LAW FROM TAXATION UNDER THE COUNTY PERSONAL PROPERTY TAX LAW:  
27 PROVIDED, THAT THIS LIMITATION (6) SHALL NOT APPLY TO CITIES OF  
28 THE SECOND CLASS;

29 (7) TO LEVY, ASSESS OR COLLECT A TAX ON MEMBERSHIP IN OR  
30 MEMBERSHIP DUES, FEES OR ASSESSMENT OF CHARITABLE, RELIGIOUS,

1 BENEFICIAL OR NONPROFIT ORGANIZATIONS INCLUDING BUT NOT LIMITED  
2 TO SPORTSMENS, RECREATIONAL, GOLF AND TENNIS CLUBS, GIRL AND BOY  
3 SCOUT TROOPS AND COUNCILS;

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

8 (9) TO LEVY, ASSESS OR COLLECT ANY TAX ON INDIVIDUALS FOR  
9 THE PRIVILEGE OF ENGAGING IN AN OCCUPATION ([EMERGENCY AND]  
10 MUNICIPAL SERVICES TAX) EXCEPT THAT SUCH A TAX MAY BE LEVIED,  
11 ASSESSED AND COLLECTED ONLY BY THE [POLITICAL SUBDIVISION]  
12 MUNICIPALITY OF THE TAXPAYER'S PLACE OF PRIMARY EMPLOYMENT.

13 PAYMENT OF ANY [EMERGENCY AND] MUNICIPAL SERVICES TAX TO ANY  
14 [POLITICAL SUBDIVISION] MUNICIPALITY BY ANY PERSON PURSUANT TO  
15 AN ORDINANCE OR RESOLUTION PASSED OR ADOPTED UNDER THE AUTHORITY  
16 OF THIS ACT SHALL BE NO [LESS THAN TEN DOLLARS (\$10) NOR] MORE  
17 THAN FIFTY-TWO DOLLARS (\$52) ON EACH PERSON [FOR EACH] DURING A  
18 CALENDAR YEAR[.] WITHOUT REGARD TO THE NUMBER OF MUNICIPALITIES  
19 WITHIN WHICH A PERSON MAY BE EMPLOYED DURING A CALENDAR YEAR.  
20 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A TAXPAYER SHALL NOT  
21 BE LIABLE FOR AN AMOUNT OF TAX IN EXCESS OF THE TAX AUTHORIZED  
22 TO BE COLLECTED UNDER THIS CLAUSE.

23 A SCHOOL DISTRICT MAY NOT LEVY A MUNICIPAL SERVICES TAX UNDER  
24 THIS ACT.

25 IF A MUNICIPALITY LEVIES THE MUNICIPAL SERVICES TAX AT AN  
26 AMOUNT GREATER THAN TEN DOLLARS (\$10) PER ANNUM, IT SHALL  
27 REQUIRE THE EMPLOYER TO WITHHOLD THE MUNICIPAL SERVICES TAX ON A  
28 PRO RATA BASIS DETERMINED BY THE NUMBER OF PAYROLL PERIODS  
29 ESTABLISHED BY THE EMPLOYER FOR A CALENDAR YEAR. NOTHING UNDER  
30 THIS CLAUSE SHALL BE CONSTRUED TO PROHIBIT EMPLOYES FROM

1 ENTERING INTO AN AGREEMENT WITH THEIR EMPLOYER TO MAKE PAYMENT  
2 OF THE MUNICIPAL SERVICES TAX IN FULL AT THE TIME OF THE FIRST  
3 WITHHOLDING OF THE MUNICIPAL SERVICES TAX.

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

18 IT IS THE INTENT OF THIS PROVISION THAT NO PERSON SHALL PAY  
19 MORE THAN FIFTY-TWO DOLLARS (\$52) IN ANY CALENDAR YEAR AS AN  
20 EMERGENCY AND MUNICIPAL SERVICES TAX IRRESPECTIVE OF THE NUMBER  
21 OF POLITICAL SUBDIVISIONS WITHIN WHICH SUCH PERSON MAY BE  
22 EMPLOYED WITHIN ANY GIVEN CALENDAR YEAR.] NO TAXPAYER SHALL BE  
23 SUBJECT TO THE COLLECTION OF THE MUNICIPAL SERVICES TAX BY MORE  
24 THAN ONE MUNICIPALITY DURING A PAYROLL PERIOD AS ESTABLISHED BY  
25 THE TAXPAYER'S PRIMARY EMPLOYER LOCATED IN THE MUNICIPALITY IN  
26 WHICH THE TAXPAYER MAINTAINS THE TAXPAYER'S PRIMARY EMPLOYMENT.  
27 IT IS THE INTENT OF THIS PROVISION THAT NO TAXPAYER BE SUBJECT  
28 TO THE COLLECTION OF THE MUNICIPAL SERVICES TAX BY MORE THAN ONE  
29 MUNICIPALITY DURING A PAYROLL PERIOD.

30 IN CASE OF DISPUTE, A TAX RECEIPT OF THE TAXING AUTHORITY

1 [FOR THAT CALENDAR YEAR] OR PROOF OF EMPLOYER WITHHOLDING FOR  
2 THE PAYROLL PERIOD DECLARING THAT THE TAXPAYER HAS MADE PRIOR  
3 PAYMENT WHICH CONSTITUTES PRIMA FACIE CERTIFICATION OF PAYMENT  
4 TO ALL OTHER POLITICAL SUBDIVISIONS.

5 (9.1) TO LEVY, ASSESS OR COLLECT ANY TAX ON INDIVIDUALS FOR  
6 THE PRIVILEGE OF ENGAGING IN AN OCCUPATION (OCCUPATION PRIVILEGE  
7 TAX) EXCEPT THAT SUCH A TAX MAY ONLY BE LEVIED, ASSESSED OR  
8 COLLECTED BY THE SCHOOL DISTRICT OF THE TAXPAYER'S PRINCIPAL  
9 EMPLOYMENT. THE LEVYING OF THE OCCUPATION PRIVILEGE TAX SHALL  
10 NOT EXCEED THE RATE OF MUNICIPAL SERVICES TAX LEVIED BY THE  
11 SCHOOL DISTRICT IN CALENDAR YEAR 2005. ANY SCHOOL DISTRICT THAT  
12 DID NOT SHARE IN LEVYING OF THE MUNICIPAL SERVICES TAX IN  
13 CALENDAR YEAR 2005 SHALL BE PROHIBITED FROM LEVYING THE  
14 OCCUPATION PRIVILEGE TAX. THE TAXPAYER SHALL RECEIVE A CREDIT  
15 AGAINST THE MUNICIPAL SERVICES TAX LEVIED BY A MUNICIPALITY  
16 EQUAL TO THE AMOUNT BY WHICH THE SUM OF THE MUNICIPAL SERVICE  
17 TAX LEVIED BY THE MUNICIPALITY PLUS THE OCCUPATION PRIVILEGE TAX  
18 LEVIED BY A SCHOOL DISTRICT EXCEEDS FIFTY-TWO DOLLARS (\$52).

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

22 (11) TO LEVY, ASSESS OR COLLECT A TAX ON THE CONSTRUCTION OF  
23 OR IMPROVEMENT TO RESIDENTIAL DWELLINGS OR UPON THE APPLICATION  
24 FOR OR ISSUANCE OF PERMITS FOR THE CONSTRUCTION OF OR  
25 IMPROVEMENTS TO RESIDENTIAL DWELLINGS.

26 (12) TO LEVY, ASSESS AND COLLECT A MERCANTILE OR BUSINESS  
27 PRIVILEGE TAX ON GROSS RECEIPTS OR PART THEREOF WHICH ARE: (I)  
28 DISCOUNTS ALLOWED TO PURCHASERS AS CASH DISCOUNTS FOR PROMPT  
29 PAYMENT OF THEIR BILLS; (II) CHARGES ADVANCED BY A SELLER FOR  
30 FREIGHT, DELIVERY OR OTHER TRANSPORTATION FOR THE PURCHASER IN

1 ACCORDANCE WITH THE TERMS OF A CONTRACT OF SALE; (III) RECEIVED  
2 UPON THE SALE OF AN ARTICLE OF PERSONAL PROPERTY WHICH WAS  
3 ACQUIRED BY THE SELLER AS A TRADE-IN TO THE EXTENT THAT THE  
4 GROSS RECEIPTS IN THE SALE OF THE ARTICLE TAKEN IN TRADE DOES  
5 NOT EXCEED THE AMOUNT OF TRADE-IN ALLOWANCE MADE IN ACQUIRING  
6 SUCH ARTICLE; (IV) REFUNDS, CREDITS OR ALLOWANCES GIVEN TO A  
7 PURCHASER ON ACCOUNT OF DEFECTS IN GOODS SOLD OR MERCHANDISE  
8 RETURNED; (V) PENNSYLVANIA SALES TAX; (VI) BASED ON THE VALUE OF  
9 EXCHANGES OR TRANSFERS BETWEEN ONE SELLER AND ANOTHER SELLER WHO  
10 TRANSFERS PROPERTY WITH THE UNDERSTANDING THAT PROPERTY OF AN  
11 IDENTICAL DESCRIPTION WILL BE RETURNED AT A SUBSEQUENT DATE;  
12 HOWEVER, WHEN SELLERS ENGAGED IN SIMILAR LINES OF BUSINESS  
13 EXCHANGE PROPERTY AND ONE OF THEM MAKES PAYMENT TO THE OTHER IN  
14 ADDITION TO THE PROPERTY EXCHANGED, THE ADDITIONAL PAYMENT  
15 RECEIVED MAY BE INCLUDED IN THE GROSS RECEIPTS OF THE SELLER  
16 RECEIVING SUCH ADDITIONAL CASH PAYMENTS; (VII) OF SELLERS FROM  
17 SALES TO OTHER SELLERS IN THE SAME LINE WHERE THE SELLER  
18 TRANSFERS THE TITLE OR POSSESSION AT THE SAME PRICE FOR WHICH  
19 THE SELLER ACQUIRED THE MERCHANDISE; OR (VIII) TRANSFERS BETWEEN  
20 ONE DEPARTMENT, BRANCH OR DIVISION OF A CORPORATION OR OTHER  
21 BUSINESS ENTITY OF GOODS, WARES AND MERCHANDISE TO ANOTHER  
22 DEPARTMENT, BRANCH OR DIVISION OF THE SAME CORPORATION OR  
23 BUSINESS ENTITY AND WHICH ARE RECORDED ON THE BOOKS TO REFLECT  
24 SUCH INTERDEPARTMENTAL TRANSACTIONS.

25 (13) TO LEVY, ASSESS OR COLLECT AN AMUSEMENT OR ADMISSIONS  
26 TAX ON MEMBERSHIP, MEMBERSHIP DUES, FEES OR ASSESSMENTS,  
27 DONATIONS, CONTRIBUTIONS OR MONETARY CHARGES OF ANY CHARACTER  
28 WHATSOEVER PAID BY THE GENERAL PUBLIC, OR A LIMITED OR SELECTED  
29 NUMBER THEREOF, FOR SUCH PERSONS TO ENTER INTO ANY PLACE,  
30 INDOORS OR OUTDOORS, TO ENGAGE IN ANY ACTIVITIES, THE



1 PREDOMINANT PURPOSE OR NATURE OF WHICH IS EXERCISE, FITNESS,  
2 HEALTH MAINTENANCE, IMPROVEMENT OR REHABILITATION, HEALTH OR  
3 NUTRITION EDUCATION, OR WEIGHT CONTROL.

4 (14) EXCEPT BY CITIES OF THE SECOND CLASS, TO LEVY, ASSESS  
5 OR COLLECT A TAX ON PAYROLL AMOUNTS GENERATED AS A RESULT OF  
6 BUSINESS ACTIVITY.

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

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

18 SECTION 2. SECTION 7 OF THE ACT, AMENDED AUGUST 11, 1967  
19 (P.L.228, NO.83) AND OCTOBER 9, 1967 (P.L.361, NO.160), IS  
20 AMENDED TO READ:

21 SECTION 7. FILING OF CERTIFIED COPIES OF ORDINANCES AND  
22 RESOLUTIONS.--WHEN AN ORDINANCE OR A RESOLUTION IS FIRST PASSED  
23 OR ADOPTED BY A POLITICAL SUBDIVISION IMPOSING A TAX OR LICENSE  
24 FEE UNDER THE AUTHORITY OF THIS ACT, AN EXACT PRINTED OR  
25 TYPEWRITTEN COPY THEREOF, CERTIFIED TO BY THE SECRETARY OF THE  
26 TAXING BODY, SHALL BE FILED WITH THE [DEPARTMENT OF COMMUNITY  
27 AFFAIRS] DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT WITHIN  
28 FIFTEEN DAYS AFTER THE SAME BECOMES EFFECTIVE.

29 ANY SECRETARY OR PERSON ACTING AS THE CLERK OR SECRETARY OF  
30 THE TAXING BODY OF ANY POLITICAL SUBDIVISION DURING THE MEETING

1 AT WHICH AN ORDINANCE OR RESOLUTION IMPOSING A TAX OR LICENSE  
2 FEE IS PASSED OR ADOPTED AS HEREIN PROVIDED WHO SHALL FAIL TO  
3 FILE THE CERTIFIED COPY OR STATEMENT RELATIVE THERETO WITH THE  
4 [DEPARTMENT OF COMMUNITY AFFAIRS] DEPARTMENT OF COMMUNITY AND  
5 ECONOMIC DEVELOPMENT AS HEREIN REQUIRED, SHALL, UPON SUMMARY  
6 CONVICTION THEREOF IN THE COUNTY IN WHICH THE POLITICAL  
7 SUBDIVISION IS LOCATED, BE SENTENCED TO PAY A FINE OF NOT LESS  
8 THAN FIVE DOLLARS (\$5) NOR MORE THAN TWENTY-FIVE DOLLARS (\$25),  
9 AND THE COSTS OF PROSECUTION.

10 SECTION 3. SECTION 8 OF THE ACT, AMENDED DECEMBER 1, 2004  
11 (P.L.1729, NO.222), IS AMENDED TO READ:

12 SECTION 8. LIMITATIONS ON RATES OF SPECIFIC TAXES.--NO TAXES  
13 LEVIED UNDER THE PROVISIONS OF THIS ACT SHALL BE LEVIED BY ANY  
14 POLITICAL SUBDIVISION ON THE FOLLOWING SUBJECTS EXCEEDING THE  
15 RATES SPECIFIED IN THIS SECTION:

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

18 (2) ON EACH DOLLAR OF THE WHOLE VOLUME OF BUSINESS  
19 TRANSACTED BY WHOLESALE DEALERS IN GOODS, WARES AND MERCHANDISE,  
20 ONE MILL, BY RETAIL DEALERS IN GOODS, WARES AND MERCHANDISE AND  
21 BY PROPRIETORS OF RESTAURANTS OR OTHER PLACES WHERE FOOD, DRINK  
22 AND REFRESHMENTS ARE SERVED, ONE AND ONE-HALF MILLS; EXCEPT IN  
23 CITIES OF THE SECOND CLASS, WHERE RATES SHALL NOT EXCEED ONE  
24 MILL ON WHOLESALE DEALERS AND TWO MILLS ON RETAIL DEALERS AND  
25 PROPRIETORS. NO SUCH TAX SHALL BE LEVIED ON THE DOLLAR VOLUME OF  
26 BUSINESS TRANSACTED BY WHOLESALE AND RETAIL DEALERS DERIVED FROM  
27 THE RESALE OF GOODS, WARES AND MERCHANDISE, TAKEN BY ANY DEALER  
28 AS A TRADE-IN OR AS PART PAYMENT FOR OTHER GOODS, WARES AND  
29 MERCHANDISE, EXCEPT TO THE EXTENT THAT THE RESALE PRICE EXCEEDS  
30 THE TRADE-IN ALLOWANCE.

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

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

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

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

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

(8) [EMERGENCY AND MUNICIPAL] MUNICIPAL SERVICES TAXES, FIFTY-TWO DOLLARS (\$52).

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

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

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

EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, AT ANY TIME TWO POLITICAL SUBDIVISIONS SHALL IMPOSE ANY ONE OF THE ABOVE TAXES ON THE SAME PERSON, SUBJECT, BUSINESS, TRANSACTION OR PRIVILEGE, LOCATED WITHIN BOTH SUCH POLITICAL SUBDIVISIONS, DURING THE SAME YEAR OR PART OF THE SAME YEAR, UNDER THE AUTHORITY OF THIS ACT THEN THE TAX LEVIED BY A POLITICAL SUBDIVISION UNDER THE AUTHORITY OF THIS ACT SHALL, DURING THE TIME SUCH DUPLICATION OF THE TAX EXISTS, EXCEPT AS HEREINAFTER OTHERWISE PROVIDED, BE ONE-HALF OF THE RATE, AS ABOVE LIMITED, AND SUCH ONE-HALF RATE

1 SHALL BECOME EFFECTIVE BY VIRTUE OF THE REQUIREMENTS OF THIS ACT  
2 FROM THE DAY SUCH DUPLICATION BECOMES EFFECTIVE WITHOUT ANY  
3 ACTION ON THE PART OF THE POLITICAL SUBDIVISION IMPOSING THE TAX  
4 UNDER THE AUTHORITY OF THIS ACT. WHEN ANY ONE OF THE ABOVE TAXES  
5 HAS BEEN LEVIED UNDER THE PROVISIONS OF THIS ACT BY ONE  
6 POLITICAL SUBDIVISION AND A SUBSEQUENT LEVY IS MADE EITHER FOR  
7 THE FIRST TIME OR IS REVIVED AFTER A LAPSE OF TIME BY ANOTHER  
8 POLITICAL SUBDIVISION ON THE SAME PERSON, SUBJECT, BUSINESS,  
9 TRANSACTION OR PRIVILEGE AT A RATE THAT WOULD MAKE THE COMBINED  
10 LEVIES EXCEED THE LIMIT ALLOWED BY THIS SUBDIVISION, THE TAX OF  
11 THE SECOND POLITICAL SUBDIVISION SHALL NOT BECOME EFFECTIVE  
12 UNTIL THE END OF THE FISCAL YEAR FOR WHICH THE PRIOR TAX WAS  
13 LEVIED, UNLESS:

14 (1) NOTICE INDICATING ITS INTENTION TO MAKE SUCH LEVY IS  
15 GIVEN TO THE FIRST TAXING BODY BY THE SECOND TAXING BODY AS  
16 FOLLOWS: (I) WHEN THE NOTICE IS GIVEN TO A SCHOOL DISTRICT IT  
17 SHALL BE GIVEN AT LEAST FORTY-FIVE DAYS PRIOR TO THE LAST DAY  
18 FIXED BY LAW FOR THE LEVY OF ITS SCHOOL TAXES; (II) WHEN GIVEN  
19 TO ANY OTHER POLITICAL SUBDIVISION IT SHALL BE PRIOR TO THE  
20 FIRST DAY OF JANUARY IMMEDIATELY PRECEDING, OR IF A LAST DAY FOR  
21 THE ADOPTION OF THE BUDGET IS FIXED BY LAW, AT LEAST FORTY-FIVE  
22 DAYS PRIOR TO SUCH LAST DAY; OR

23 (2) UNLESS THE FIRST TAXING BODY SHALL INDICATE BY  
24 APPROPRIATE RESOLUTION ITS DESIRE TO WAIVE NOTICE REQUIREMENTS  
25 IN WHICH CASE THE LEVY OF THE SECOND TAXING BODY SHALL BECOME  
26 EFFECTIVE ON SUCH DATE AS MAY BE AGREED UPON BY THE TWO TAXING  
27 BODIES.

28 IT IS THE INTENT AND PURPOSE OF THIS PROVISION TO LIMIT RATES  
29 OF TAXES REFERRED TO IN THIS SECTION SO THAT THE ENTIRE BURDEN  
30 OF ONE TAX ON A PERSON, SUBJECT, BUSINESS, TRANSACTION OR

1 PRIVILEGE SHALL NOT EXCEED THE LIMITATIONS PRESCRIBED IN THIS  
2 SECTION: PROVIDED, HOWEVER, THAT ANY TWO POLITICAL SUBDIVISIONS  
3 WHICH IMPOSE ANY ONE OF THE ABOVE TAXES, ON THE SAME PERSON,  
4 SUBJECT, BUSINESS, TRANSACTION OR PRIVILEGE DURING THE SAME YEAR  
5 OR PART OF THE SAME YEAR MAY AGREE AMONG THEMSELVES THAT,  
6 INSTEAD OF LIMITING THEIR RESPECTIVE RATES TO ONE-HALF OF THE  
7 MAXIMUM RATE HEREIN PROVIDED, THEY WILL IMPOSE RESPECTIVELY  
8 DIFFERENT RATES, THE TOTAL OF WHICH SHALL NOT EXCEED THE MAXIMUM  
9 RATE AS ABOVE PERMITTED.

10 NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, ANY CITY OF  
11 THE SECOND CLASS A MAY ENACT A TAX UPON WAGES, SALARIES,  
12 COMMISSIONS AND OTHER EARNED INCOME OF INDIVIDUALS RESIDENT  
13 THEREIN, NOT EXCEEDING ONE PERCENT, EVEN THOUGH A SCHOOL  
14 DISTRICT LEVIES A SIMILAR TAX ON THE SAME PERSON PROVIDED THAT  
15 THE AGGREGATE OF BOTH TAXES DOES NOT EXCEED TWO PERCENT. IN THE  
16 CASE OF DUPLICATION OF [EMERGENCY AND] MUNICIPAL SERVICES TAXES  
17 BY BOTH A SCHOOL DISTRICT, OTHER THAN A SCHOOL DISTRICT OF THE  
18 FIRST CLASS A, AND ANOTHER TAXING BODY, THE SCHOOL DISTRICT'S  
19 SHARE OF THE TAX SHALL NOT EXCEED THE AMOUNT OF A TAX ON THE  
20 PRIVILEGE OF ENGAGING IN AN OCCUPATION COLLECTED BY THE SCHOOL  
21 DISTRICT AS OF THE EFFECTIVE DATE OF THIS PARAGRAPH. IN THE CASE  
22 WHERE A SCHOOL DISTRICT DID NOT LEVY A TAX ON THE PRIVILEGE OF  
23 ENGAGING IN AN OCCUPATION ON THE EFFECTIVE DATE OF THIS  
24 PARAGRAPH, THE SCHOOL DISTRICT MAY IMPOSE A FUTURE LEVY NOT TO  
25 EXCEED FIVE DOLLARS (\$5). A SCHOOL DISTRICT OF THE FIRST CLASS A  
26 SHALL NOT LEVY, ASSESS OR COLLECT [AN EMERGENCY AND] A MUNICIPAL  
27 SERVICES TAX.

28 SECTION 4. SECTION 9 OF THE ACT, AMENDED DECEMBER 12, 1968  
29 (P.L.1203, NO.377), IS AMENDED TO READ:

30 SECTION 9. REGISTER FOR EARNED INCOME AND OCCUPATIONAL

1 PRIVILEGE TAXES.--IT SHALL BE THE DUTY OF THE [DEPARTMENT OF  
2 COMMUNITY AFFAIRS] DEPARTMENT OF COMMUNITY AND ECONOMIC  
3 DEVELOPMENT TO HAVE AVAILABLE AN OFFICIAL CONTINUING REGISTER  
4 SUPPLEMENTED ANNUALLY OF ALL EARNED INCOME AND OCCUPATIONAL  
5 PRIVILEGE TAXES LEVIED UNDER AUTHORITY OF THIS ACT. THE REGISTER  
6 AND ITS SUPPLEMENTS, HEREINAFTER REFERRED TO AS THE REGISTER,  
7 SHALL LIST SUCH JURISDICTIONS LEVYING EARNED INCOME AND/OR  
8 OCCUPATIONAL PRIVILEGE MUNICIPAL SERVICES TAXES, THE RATE OF THE  
9 TAX AS STATED IN THE TAX LEVYING ORDINANCE OR RESOLUTION, AND  
10 THE EFFECTIVE RATE ON RESIDENT AND NONRESIDENT TAXPAYERS, IF  
11 DIFFERENT FROM THE STATED RATE BECAUSE OF A COTERMINOUS LEVY,  
12 THE NAME AND ADDRESS OF THE OFFICER RESPONSIBLE FOR  
13 ADMINISTERING THE COLLECTION OF THE TAX AND FROM WHOM  
14 INFORMATION, FORMS FOR REPORTING AND COPIES OF RULES AND  
15 REGULATIONS ARE AVAILABLE. WITH EACH JURISDICTION LISTED, ALL  
16 JURISDICTIONS MAKING COTERMINOUS LEVIES SHALL ALSO BE NOTED AND  
17 THEIR TAX RATES SHOWN.

18 INFORMATION FOR THE REGISTER SHALL BE FURNISHED BY THE  
19 SECRETARY OF EACH TAXING BODY TO THE [DEPARTMENT OF COMMUNITY  
20 AFFAIRS] DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT IN  
21 SUCH MANNER AND ON SUCH FORMS AS THE [DEPARTMENT OF COMMUNITY  
22 AFFAIRS] DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT MAY  
23 PRESCRIBE. THE INFORMATION MUST BE RECEIVED BY THE [DEPARTMENT  
24 OF COMMUNITY AFFAIRS] DEPARTMENT OF COMMUNITY AND ECONOMIC  
25 DEVELOPMENT BY CERTIFIED MAIL NOT LATER THAN MAY 31 OF EACH YEAR  
26 TO SHOW NEW TAX ENACTMENTS, REPEALS AND CHANGES. FAILURE TO  
27 COMPLY WITH THIS DATE FOR FILING MAY RESULT IN THE OMISSION OF  
28 THE LEVY FROM THE REGISTER FOR THAT YEAR. FAILURE OF THE  
29 [DEPARTMENT OF COMMUNITY AFFAIRS] DEPARTMENT OF COMMUNITY AND  
30 ECONOMIC DEVELOPMENT TO RECEIVE INFORMATION OF TAXES CONTINUED

1 WITHOUT CHANGE MAY BE CONSTRUED BY THE DEPARTMENT TO MEAN THAT  
2 THE INFORMATION CONTAINED IN THE PREVIOUS REGISTER REMAINS IN  
3 FORCE.

4 THE [DEPARTMENT OF COMMUNITY AFFAIRS] DEPARTMENT OF COMMUNITY  
5 AND ECONOMIC DEVELOPMENT SHALL HAVE THE REGISTER WITH SUCH  
6 ANNUAL SUPPLEMENTS AS MAY BE REQUIRED BY NEW TAX ENACTMENTS,  
7 REPEALS OR CHANGES AVAILABLE UPON REQUEST NOT LATER THAN JULY 1  
8 OF EACH YEAR. THE EFFECTIVE PERIOD FOR EACH REGISTER SHALL BE  
9 FROM JULY 1 OF THE YEAR IN WHICH IT IS ISSUED TO JUNE 30 OF THE  
10 FOLLOWING YEAR.

11 EMPLOYERS SHALL NOT BE REQUIRED BY ANY LOCAL ORDINANCE TO  
12 WITHHOLD FROM THE WAGES, SALARIES, COMMISSIONS OR OTHER  
13 COMPENSATION OF THEIR EMPLOYEES ANY TAX IMPOSED UNDER THE  
14 PROVISIONS OF THIS ACT, WHICH IS NOT LISTED IN THE REGISTER, OR  
15 MAKE REPORTS OF WAGES, SALARIES, COMMISSIONS OR OTHER  
16 COMPENSATION IN CONNECTION WITH TAXES NOT SO LISTED: PROVIDED,  
17 THAT IF THE REGISTER IS NOT AVAILABLE BY JULY 1, THE REGISTER OF  
18 THE PREVIOUS YEAR SHALL CONTINUE TEMPORARILY IN EFFECT FOR AN  
19 ADDITIONAL PERIOD NOT TO EXCEED ONE YEAR. THE PROVISIONS OF THIS  
20 SECTION SHALL NOT AFFECT THE LIABILITY OF ANY TAXPAYER FOR TAXES  
21 LAWFULLY IMPOSED UNDER THIS ACT.

22 ORDINANCES OR RESOLUTIONS IMPOSING EARNED INCOME [OR] L  
23 OCCUPATIONAL PRIVILEGE OR MUNICIPAL SERVICES TAXES UNDER  
24 AUTHORITY OF THIS ACT MAY CONTAIN PROVISIONS REQUIRING EMPLOYERS  
25 DOING BUSINESS WITHIN THE JURISDICTION OF THE POLITICAL  
26 SUBDIVISION IMPOSING THE TAX TO WITHHOLD THE TAX FROM THE  
27 COMPENSATION OF THOSE OF THEIR EMPLOYEES WHO ARE SUBJECT TO THE  
28 TAX: PROVIDED, THAT NO EMPLOYER SHALL BE HELD LIABLE FOR FAILURE  
29 TO WITHHOLD EARNED INCOME TAXES OR FOR THE PAYMENT OF SUCH  
30 WITHHELD TAX MONEY TO A POLITICAL SUBDIVISION OTHER THAN THE

1 POLITICAL SUBDIVISION ENTITLED TO RECEIVE SUCH MONEY IF SUCH  
2 FAILURE TO WITHHOLD OR SUCH INCORRECT TRANSMITTAL OF WITHHELD  
3 TAXES ARISES FROM INCORRECT INFORMATION AS TO THE EMPLOYEE'S  
4 PLACE OF RESIDENCE SUBMITTED BY THE EMPLOYEE: AND PROVIDED  
5 FURTHER, THAT EMPLOYERS SHALL NOT BE REQUIRED BY ANY LOCAL  
6 ORDINANCE TO WITHHOLD FROM COMPENSATION FOR ANY ONE OF THEIR  
7 EMPLOYEES FOR THE OCCUPATIONAL PRIVILEGE TAX MORE THAN ONE TIME  
8 IN ANY FISCAL PERIOD: AND PROVIDED FURTHER, THAT THE  
9 OCCUPATIONAL PRIVILEGE AND MUNICIPAL SERVICES TAX SHALL BE  
10 APPLICABLE TO EMPLOYMENT IN THE PERIOD BEGINNING JANUARY 1, OF  
11 THE CURRENT YEAR AND ENDING DECEMBER 31 OF THE CURRENT YEAR,  
12 EXCEPT THAT TAXES IMPOSED FOR THE FIRST TIME SHALL BECOME  
13 EFFECTIVE FROM THE DATE SPECIFIED IN THE ORDINANCE OR  
14 RESOLUTION, AND THE TAX SHALL CONTINUE IN FORCE ON A CALENDAR  
15 YEAR BASIS.

16 SECTION 5. SECTION 19 OF THE ACT, AMENDED OCTOBER 4, 1978  
17 (P.L.930, NO.177), IS AMENDED TO READ:

18 SECTION 19. COLLECTION OF DELINQUENT PER CAPITA, OCCUPATION,  
19 OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES AND EARNED INCOME  
20 TAXES FROM EMPLOYERS, ETC.--THE TAX COLLECTOR SHALL DEMAND,  
21 RECEIVE AND COLLECT FROM ALL CORPORATIONS, POLITICAL  
22 SUBDIVISIONS, ASSOCIATIONS, COMPANIES, FIRMS OR INDIVIDUALS,  
23 EMPLOYING PERSONS OWING DELINQUENT PER CAPITA, OR OCCUPATION,  
24 OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES AND EARNED INCOME  
25 TAXES, OR WHOSE SPOUSE OWES DELINQUENT PER CAPITA, OCCUPATION,  
26 OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES AND EARNED INCOME  
27 TAXES, OR HAVING IN POSSESSION UNPAID COMMISSIONS OR EARNINGS  
28 BELONGING TO ANY PERSON OR PERSONS OWING DELINQUENT PER CAPITA,  
29 OCCUPATION, OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES AND  
30 EARNED INCOME TAXES, OR WHOSE SPOUSE OWES DELINQUENT PER CAPITA,



1 OCCUPATION, OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES AND  
2 EARNED INCOME TAXES, UPON THE PRESENTATION OF A WRITTEN NOTICE  
3 AND DEMAND CERTIFYING THAT THE INFORMATION CONTAINED THEREIN IS  
4 TRUE AND CORRECT AND CONTAINING THE NAME OF THE TAXABLE OR THE  
5 SPOUSE THEREOF AND THE AMOUNT OF TAX DUE. UPON THE PRESENTATION  
6 OF SUCH WRITTEN NOTICE AND DEMAND, IT SHALL BE THE DUTY OF ANY  
7 SUCH CORPORATION, POLITICAL SUBDIVISION, ASSOCIATION, COMPANY,  
8 FIRM OR INDIVIDUAL TO DEDUCT FROM THE WAGES, COMMISSIONS OR  
9 EARNINGS OF SUCH INDIVIDUAL EMPLOYEES, THEN OWING OR THAT SHALL  
10 WITHIN SIXTY DAYS THEREAFTER BECOME DUE, OR FROM ANY UNPAID  
11 COMMISSIONS OR EARNINGS OF ANY SUCH TAXABLE IN ITS OR HIS  
12 POSSESSION, OR THAT SHALL WITHIN SIXTY DAYS THEREAFTER COME INTO  
13 ITS OR HIS POSSESSION, A SUM SUFFICIENT TO PAY THE RESPECTIVE  
14 AMOUNT OF THE DELINQUENT PER CAPITA, OCCUPATION, OCCUPATIONAL  
15 PRIVILEGE, MUNICIPAL SERVICES AND EARNED INCOME TAXES AND COSTS,  
16 SHOWN UPON THE WRITTEN NOTICE OR DEMAND, AND TO PAY THE SAME TO  
17 THE TAX COLLECTOR OF THE TAXING DISTRICT IN WHICH SUCH  
18 DELINQUENT TAX WAS LEVIED WITHIN SIXTY DAYS AFTER SUCH NOTICE  
19 SHALL HAVE BEEN GIVEN. NO MORE THAN TEN PERCENT OF THE WAGES,  
20 COMMISSIONS OR EARNINGS OF THE DELINQUENT TAXPAYER OR SPOUSE  
21 THEREOF MAY BE DEDUCTED AT ANY ONE TIME FOR DELINQUENT PER  
22 CAPITA, OCCUPATION, OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES  
23 AND EARNED INCOME TAXES AND COSTS. SUCH CORPORATION, POLITICAL  
24 SUBDIVISION, ASSOCIATION, FIRM OR INDIVIDUAL SHALL BE ENTITLED  
25 TO DEDUCT FROM THE MONEYS COLLECTED FROM EACH EMPLOYEE THE COSTS  
26 INCURRED FROM THE EXTRA BOOKKEEPING NECESSARY TO RECORD SUCH  
27 TRANSACTIONS, NOT EXCEEDING TWO PERCENT OF THE AMOUNT OF MONEY  
28 SO COLLECTED AND PAID OVER TO THE TAX COLLECTOR. UPON THE  
29 FAILURE OF ANY SUCH CORPORATION, POLITICAL SUBDIVISION,  
30 ASSOCIATION, COMPANY, FIRM OR INDIVIDUAL TO DEDUCT THE AMOUNT OF

1 SUCH TAXES OR TO PAY THE SAME OVER TO THE TAX COLLECTOR, LESS  
2 THE COST OF BOOKKEEPING INVOLVED IN SUCH TRANSACTION, AS HEREIN  
3 PROVIDED, WITHIN THE TIME HEREBY REQUIRED, SUCH CORPORATION,  
4 POLITICAL SUBDIVISION, ASSOCIATION, COMPANY, FIRM OR INDIVIDUAL  
5 SHALL FORFEIT AND PAY THE AMOUNT OF SUCH TAX FOR EACH SUCH  
6 TAXABLE WHOSE TAXES ARE NOT WITHHELD AND PAID OVER, OR THAT ARE  
7 WITHHELD AND NOT PAID OVER TOGETHER WITH A PENALTY OF TEN  
8 PERCENT ADDED THERETO, TO BE RECOVERED BY AN ACTION OF ASSUMPSIT  
9 IN A SUIT TO BE INSTITUTED BY THE TAX COLLECTOR, OR BY THE  
10 PROPER AUTHORITIES OF THE TAXING DISTRICT, AS DEBTS OF LIKE  
11 AMOUNT ARE NOW BY LAW RECOVERABLE, EXCEPT THAT SUCH PERSON SHALL  
12 NOT HAVE THE BENEFIT OF ANY STAY OF EXECUTION OR EXEMPTION LAW.  
13 THE TAX COLLECTOR SHALL NOT PROCEED AGAINST A SPOUSE OR HIS  
14 EMPLOYER UNTIL HE HAS PURSUED COLLECTION REMEDIES AGAINST THE  
15 DELINQUENT TAXPAYER AND HIS EMPLOYER UNDER THIS SECTION.

16 SECTION 6. SECTION 20 OF THE ACT IS AMENDED TO READ:

17 SECTION 20. COLLECTION OF DELINQUENT PER CAPITA, OCCUPATION,  
18 OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES AND EARNED INCOME  
19 TAXES FROM THE COMMONWEALTH.--UPON PRESENTATION OF A WRITTEN  
20 NOTICE AND DEMAND UNDER OATH OR AFFIRMATION, TO THE STATE  
21 TREASURER OR ANY OTHER FISCAL OFFICER OF THE STATE, OR ITS  
22 BOARDS, AUTHORITIES, AGENCIES OR COMMISSIONS, IT SHALL BE THE  
23 DUTY OF THE TREASURER OR OFFICER TO DEDUCT FROM THE WAGES THEN  
24 OWING, OR THAT SHALL WITHIN SIXTY DAYS THEREAFTER BECOME DUE TO  
25 ANY EMPLOYEE, A SUM SUFFICIENT TO PAY THE RESPECTIVE AMOUNT OF  
26 THE DELINQUENT PER CAPITA, OCCUPATION, OCCUPATIONAL PRIVILEGE,  
27 MUNICIPAL SERVICES AND EARNED INCOME TAXES AND COSTS SHOWN ON  
28 THE WRITTEN NOTICE. THE SAME SHALL BE PAID TO THE TAX COLLECTOR  
29 OF THE TAXING DISTRICT IN WHICH SAID DELINQUENT TAX WAS LEVIED  
30 WITHIN SIXTY DAYS AFTER SUCH NOTICE SHALL HAVE BEEN GIVEN.

SECTION 7. SECTION 22.1 OF THE ACT, ADDED NOVEMBER 30, 2004  
(P.L.1520, NO.192), IS AMENDED TO READ:

SECTION 22.1. COSTS OF COLLECTION OF DELINQUENT PER CAPITA,  
OCCUPATION, OCCUPATIONAL PRIVILEGE, MUNICIPAL SERVICES AND  
EARNED INCOME TAXES.--(A) A PERSON, PUBLIC EMPLOYE OR PRIVATE  
AGENCY DESIGNATED BY A GOVERNING BODY OF A POLITICAL SUBDIVISION  
TO COLLECT AND ADMINISTER A PER CAPITA, OCCUPATION, OCCUPATIONAL  
PRIVILEGE, MUNICIPAL SERVICES OR EARNED INCOME TAX MAY IMPOSE  
AND COLLECT THE REASONABLE COSTS INCURRED TO PROVIDE NOTICES OF  
DELINQUENCY OR TO IMPLEMENT SIMILAR PROCEDURES UTILIZED TO  
COLLECT DELINQUENT TAXES FROM A TAXPAYER AS APPROVED BY THE  
GOVERNING BODY OF THE POLITICAL SUBDIVISION. REASONABLE COSTS  
COLLECTED MAY BE RETAINED BY THE PERSON, PUBLIC EMPLOYE OR  
PRIVATE AGENCY DESIGNATED TO COLLECT THE TAX AS AGREED TO BY THE  
GOVERNING BODY OF THE POLITICAL SUBDIVISION. AN ITEMIZED  
ACCOUNTING OF ALL COSTS COLLECTED SHALL BE REMITTED TO THE  
POLITICAL SUBDIVISION ON AN ANNUAL BASIS.

(B) COSTS RELATED TO THE COLLECTION OF UNPAID PER CAPITA,  
OCCUPATION [OR], OCCUPATIONAL PRIVILEGE OR MUNICIPAL SERVICES  
TAXES MAY ONLY BE ASSESSED, LEVIED AND COLLECTED FOR FIVE YEARS  
FROM THE LAST DAY OF THE CALENDAR YEAR IN WHICH THE TAX WAS DUE.

(C) A DELINQUENT TAXPAYER MAY NOT BRING AN ACTION FOR  
REIMBURSEMENT, REFUND OR ELIMINATION OF REASONABLE COSTS OF  
COLLECTION ASSESSED OR IMPOSED PRIOR TO THE EFFECTIVE DATE OF  
THIS SECTION. ADDITIONAL COSTS MAY NOT BE ASSESSED ON DELINQUENT  
TAXES COLLECTED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.

SECTION 8. SECTION 22.5 OF THE ACT, ADDED DECEMBER 1, 2004  
(P.L.1729, NO.222), IS AMENDED TO READ:

[SECTION 22.5. RESTRICTED USE.--(A) ANY MUNICIPALITY  
DERIVING FUNDS FROM THE EMERGENCY AND MUNICIPAL SERVICES TAX MAY

1 ONLY USE THE FUNDS FOR:

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

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

4 (3) REDUCTION OF PROPERTY TAXES.

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

7 SECTION 9. ANY ORDINANCE OR RESOLUTION PROVIDING FOR THE  
8 LEVYING, ASSESSMENT OR COLLECTION OF A TAX ON INDIVIDUALS FOR  
9 THE PRIVILEGE OF ENGAGING IN AN OCCUPATION WHICH HAS BEEN  
10 ENACTED BY A POLITICAL SUBDIVISION PRIOR TO DECEMBER 1, 2004,  
11 SHALL CONTINUE IN FULL FORCE AND EFFECT, WITHOUT REENACTMENT, AS  
12 IF SUCH TAX HAD BEEN LEVIED, ASSESSED OR COLLECTED AS A  
13 MUNICIPAL SERVICES TAX UNDER SECTION 2(9) OF THE ACT. ALL  
14 REFERENCES IN ANY ORDINANCE OR RESOLUTION TO A TAX ON THE  
15 PRIVILEGE OF ENGAGING IN AN OCCUPATION SHALL BE DEEMED TO BE A  
16 REFERENCE TO A MUNICIPAL SERVICES TAX FOR THE PURPOSES OF THE  
17 ACT.

18 SECTION 10. THE AMENDMENT OR ADDITION OF THE FOLLOWING  
19 PROVISIONS SHALL APPLY TO TAXES LEVIED FOR CALENDAR YEAR 2006:

20 (1) THE AMENDMENT OF SECTION 2 OF THE ACT.

21 (2) THE AMENDMENT OF SECTION 8 OF THE ACT.

22 (3) THE AMENDMENT OF SECTION 9 OF THE ACT, EXCEPT FOR  
23 ANY EDITORIAL AMENDMENT CHANGING THE REFERENCE FROM THE  
24 DEPARTMENT OF COMMUNITY AFFAIRS TO THE DEPARTMENT OF  
25 COMMUNITY AND ECONOMIC DEVELOPMENT.

26 (4) THE AMENDMENT OF SECTION 19 OF THE ACT.

27 (5) THE AMENDMENT OF SECTION 20 OF THE ACT.

28 (6) THE AMENDMENT OF SECTION 22.1 OF THE ACT.

29 (7) THE AMENDMENT OF SECTION 22.4 OF THE ACT.

30 SECTION 11. REPEALS ARE AS FOLLOWS:

1           (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
2 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE AMENDMENT OF  
3 SECTION 2(9) OF THE ACT.

4           (2) SECTION 6 OF THE ACT OF DECEMBER 1, 2004 (P.L.1729,  
5 NO.222), ENTITLED "AN ACT AMENDING THE ACT OF DECEMBER 31,  
6 1965 (P.L.1257, NO.511), ENTITLED 'AN ACT EMPOWERING CITIES  
7 OF THE SECOND CLASS, CITIES OF THE SECOND CLASS A, CITIES OF  
8 THE THIRD CLASS, BOROUGHs, TOWNS, TOWNSHIPS OF THE FIRST  
9 CLASS, TOWNSHIPS OF THE SECOND CLASS, SCHOOL DISTRICTS OF THE  
10 SECOND CLASS, SCHOOL DISTRICTS OF THE THIRD CLASS AND SCHOOL  
11 DISTRICTS OF THE FOURTH CLASS INCLUDING INDEPENDENT SCHOOL  
12 DISTRICTS, TO LEVY, ASSESS, COLLECT OR TO PROVIDE FOR THE  
13 LEVYING, ASSESSMENT AND COLLECTION OF CERTAIN TAXES SUBJECT  
14 TO MAXIMUM LIMITATIONS FOR GENERAL REVENUE PURPOSES;  
15 AUTHORIZING THE ESTABLISHMENT OF BUREAUS AND THE APPOINTMENT  
16 AND COMPENSATION OF OFFICERS, AGENCIES AND EMPLOYES TO ASSESS  
17 AND COLLECT SUCH TAXES; PROVIDING FOR JOINT COLLECTION OF  
18 CERTAIN TAXES, PRESCRIBING CERTAIN DEFINITIONS AND OTHER  
19 PROVISIONS FOR TAXES LEVIED AND ASSESSED UPON EARNED INCOME,  
20 PROVIDING FOR ANNUAL AUDITS AND FOR COLLECTION OF DELINQUENT  
21 TAXES, AND PERMITTING AND REQUIRING PENALTIES TO BE IMPOSED  
22 AND ENFORCED, INCLUDING PENALTIES FOR DISCLOSURE OF  
23 CONFIDENTIAL INFORMATION, PROVIDING AN APPEAL FROM THE  
24 ORDINANCE OR RESOLUTION LEVYING SUCH TAXES TO THE COURT OF  
25 QUARTER SESSIONS AND TO THE SUPREME COURT AND SUPERIOR  
26 COURT,' FURTHER PROVIDING FOR DELEGATION OF TAXING POWERS AND  
27 RESTRICTIONS THEREON; PROVIDING FOR NONRESIDENT SPORTS  
28 FACILITY USAGE FEE, FOR PARKING TAX RATES AND FOR PAYROLL  
29 TAXES; FURTHER PROVIDING FOR LIMITATIONS ON RATES OF SPECIFIC  
30 TAXES AND FOR THE APPOINTMENT OF A SINGLE COLLECTOR OF TAXES;

1       FURTHER PROVIDING FOR THE APPLICABILITY OF PETITIONS UNDER  
2       THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE  
3       MUNICIPALITIES FINANCIAL RECOVERY ACT; AND MAKING A REPEAL,"  
4       IS REPEALED.  
5       SECTION 12.   THIS ACT SHALL TAKE EFFECT IMMEDIATELY.