

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 909 Session of
2005

INTRODUCED BY ERICKSON, PILEGGI, ORIE, WOZNIAK, RAFFERTY,
C. WILLIAMS, CONTI, GREENLEAF, TOMLINSON, WONDERLING AND
THOMPSON, OCTOBER 11, 2005

REFERRED TO FINANCE, OCTOBER 11, 2005

AN ACT

1 Providing options, subject to voter approval, for school
2 districts to impose taxes on earned income and net profits
3 and personal income for the purpose of reducing real property
4 taxes; authorizing a county sales and use tax; and providing
5 for disbursement of sales tax revenues.

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

8 CHAPTER 1

9 GENERAL PROVISIONS

10 Section 101. Short title.

11 This act shall be known and may be cited as the Local Tax
12 Choice Act.

13 Section 102. Definitions.

14 The following words and phrases when used in this act shall
15 have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 "Average daily membership." As defined by the act of March
18 10, 1949 (P.L.30, No.14), known as the Public School Code of
19 1949.

1 "Department." The Department of Revenue of the Commonwealth.

2 "Earned income." As defined in section 13 of the act of
3 December 31, 1965 (P.L.1257, No.511), known as The Local Tax
4 Enabling Act.

5 "Election officials." The county board of elections of a
6 county.

7 "Governing body." Any city council, borough council,
8 incorporated town council, board of county commissioners or
9 their home rule successor in function, board of township
10 commissioners, board of township supervisors, board of school
11 directors, governing council of a home rule municipality or
12 optional plan municipality, or governing council of a similar
13 general purpose unit of government which may be created by
14 statute after the effective date of this section.

15 "Homeowner Tax Relief Act." The act of July 5, 2004
16 (P.L.654, No.72), known as the Homeowner Tax Relief Act.

17 "Homestead." As defined in 53 Pa.C.S. § 8401 (relating to
18 definitions).

19 "Homestead property." As defined in 53 Pa.C.S. § 8401
20 (relating to definitions).

21 "Income tax." A tax on earned income and net profits or a
22 tax on personal income imposed pursuant to this act.

23 "Local Tax Enabling Act." The act of December 31, 1965
24 (P.L.1257, No.511), known as The Local Tax Enabling Act.

25 "Net profits." As defined in section 13 of the act of
26 December 31, 1965 (P.L.1257, No.511), known as The Local Tax
27 Enabling Act.

28 "Per capita market value." The total market value of all
29 real property divided by population as determined by the most
30 recent decennial census.

1 "Personal income." Income enumerated in section 303 of the
2 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
3 of 1971, as returned to and ascertained by the Department of
4 Revenue, subject, however, to any correction for fraud, evasion
5 or error as finally determined by the department or a court of
6 competent jurisdiction.

7 "Political subdivision." Any city, county, borough,
8 incorporated town, township or school district.

9 "Resident individual." An individual who is domiciled in a
10 political subdivision.

11 "Statewide average weekly wage." That amount determined
12 annually for each calendar year by the Department of Labor and
13 Industry under section 105.1 of the act of June 2, 1915
14 (P.L.736, No.338), known as the Workers' Compensation Act.

15 "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),
16 known as the Tax Reform Code of 1971.

17 "Weighted tax revenues." Total tax revenues from all sources
18 of a municipality divided by the ratio of its per capita market
19 value to the per capita market value of its county.

20 CHAPTER 3

21 TAX AUTHORIZATION

22 Section 301. General tax authorization.

23 (a) General rule.--Subject to section 303, a political
24 subdivision may by resolution levy, assess and collect or
25 provide for the levying, assessment and collection of the earned
26 income and net profits tax or the personal income tax. A
27 political subdivision may levy either an earned income and net
28 profits tax or a personal income tax, but under no circumstance
29 may a political subdivision levy both the earned income and net
30 profits tax and a personal income tax.

(b) Exclusions.--No political subdivision which levies an earned income and net profits tax or a personal income tax may levy, assess or collect any of the following:

(1) A tax based upon a flat rate or on a millage rate on an assessed valuation of a particular trade, occupation or profession, commonly known as an occupation tax.

(2) A tax at a set or flat rate upon persons employed within the taxing district, commonly known as an occupational privilege tax.

(3) A per capita, poll, residence or similar head tax.

(4) An earned income tax under the act of August 24, 1961 (P.L.1135, No.508), referred to as the First Class A School District Earned Income Tax Act, or under the additional authority in section 652.1(a)(2) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

(5) Any tax under section 652.1(a)(4) of the Public School Code of 1949 except as it pertains to real estate transfer taxes.

(6) Except for taxes permitted under 53 Pa.C.S. § 8402(b), (c), (d), (e) and (f) (relating to scope and limitations), any other tax authorized or permitted under the Local Tax Enabling Act.

(c) Delinquent taxes.--The provisions of subsection (b) shall not apply to collection of delinquent taxes.

Section 302. Continuity of tax.

The earned income and net profits tax or the personal income tax levied under this act shall continue in force on a fiscal year basis without annual reenactment unless the rate of tax is increased or the tax is subsequently repealed.

1 Section 303. Adoption of referendum.

2 (a) Public referendum requirement.--Except for those school
3 districts that have adopted the taxing provisions of the
4 Homeowner Tax Relief Act, a board of school directors shall
5 submit, at the primary election of 2006, a referendum question
6 to the electors of the school district seeking voter approval
7 allowing the school district to levy, assess and collect an
8 earned income and net profits tax or a personal income tax for
9 the purpose of reducing real property taxes. For those school
10 districts that have adopted the taxing provisions of the
11 Homeowner Tax Relief Act, the provisions of this section shall
12 be optional. Those school districts that elect to submit a
13 referendum under this act which is ultimately approved by the
14 electors of the school district shall be deemed to have opted
15 out of the taxing provisions of the Homeowner Tax Relief Act.

16 (b) Submission.--The governing body of all political
17 subdivisions other than school districts shall submit the
18 referendum question to the electors of these political
19 subdivisions at the primary election of 2007.

20 (c) Referendum question.--The referendum question must state
21 the initial rate of the proposed earned income and net profits
22 tax or personal income tax, the reason for the tax and the
23 amount of proposed budgeted revenue growth, if any, in the first
24 fiscal year following adoption of the referendum, expressed as a
25 percent increase over the prior year's budgeted revenue. Any
26 increase in budgeted revenue between the first fiscal year
27 following adoption of the referendum and the prior year's
28 budgeted revenue shall not exceed the annual percent change in
29 the Statewide average weekly wage. The question shall be in
30 clear language that is readily understandable by a layperson.

1 For purpose of illustration, a referendum question may be framed
2 as follows:

3 Do you favor the imposition of an earned income and net
4 profits tax or a personal income tax of X% to be used to
5 replace (names of local taxes to be repealed), reduce
6 real property taxes by X% by and provide for a one-time
7 revenue increase of X% over the preceding fiscal year?

8 A nonlegal interpretative statement must accompany the question
9 in accordance with section 201.1 of the act of June 3, 1937
10 (P.L.1333, No.320), known as the Pennsylvania Election Code,
11 that includes the following: the initial rate of the earned
12 income and net profits tax or personal income tax and the
13 maximum allowable rate of the earned income and net profits tax
14 or personal income tax imposed under this act; the estimated
15 revenues to be derived from the initial rate of the earned
16 income and net profits or personal income tax imposed under this
17 act; the amount of proposed revenue growth, if any, in the first
18 fiscal year following adoption of the referendum; the estimated
19 reduction in real property taxes and the elimination of certain
20 existing taxes under this act; the identification of the
21 existing taxes to be eliminated under this act; the method to be
22 used to reduce real property taxes; the class or classes of real
23 property for which real property taxes would be reduced; and the
24 estimated amount of real property tax reduction by class,
25 expressed as an average percent reduction by class.

26 Section 304. Taxes authorized.

27 (a) General rule.--A political subdivision may levy, assess
28 and collect a tax authorized under either subsection (b) or (c),
29 but may not levy, assess and collect both taxes.

30 (b) Earned income and net profits tax.--A school district

1 shall have the power to levy, assess and collect a tax on the
2 earned income and net profits of resident individuals of the
3 school district up to a maximum rate of 2.5%. The earned income
4 and net profits tax may be levied by the school district at a
5 rate of 1%, 1.25%, 1.5%, 1.75%, 2%, 2.25% or 2.5%. A political
6 subdivision other than a school district shall have the power to
7 levy, assess and collect the tax up to a maximum rate of 1.5%.
8 The tax may be levied by a political subdivision at a rate of
9 1%, 1.25% or 1.5%.

10 (c) Personal income tax.--A school district may levy, assess
11 and collect a tax on the personal income of resident individuals
12 of the school district on the same classes of income as are
13 subject to tax under Article III of the Tax Reform Code, up to a
14 maximum rate of 2.5%. The personal income tax may be levied by
15 the school district at a rate of 1%, 1.25%, 1.5%, 1.75%, 2%,
16 2.25% or 2.5%. A political subdivision other than a school
17 district may levy, assess and collect the tax up to a maximum
18 rate of 1.5%. The tax may be levied by the political subdivision
19 at a rate of 1%, 1.25% or 1.5%.

20 Section 305. Collections.

21 (a) General rule.--A political subdivision imposing a tax
22 under section 304 shall designate the tax officer who is
23 appointed under section 308 of the Local Tax Enabling Act, or
24 otherwise by law, as the collector of the earned income and net
25 profits tax and may designate that tax officer as the collector
26 of the personal income tax. In the performance of the tax
27 collection duties, the designated tax officer shall have the
28 same powers, rights, responsibilities and duties for the
29 collection of the taxes which may be imposed under the Local Tax
30 Enabling Act or as otherwise provided by law.

(b) Collection of personal income tax by Commonwealth.--

(1) A political subdivision imposing a tax upon personal income may enter into an agreement with the department for the collection of that personal income tax by the department in conjunction with the collection of any tax on personal income imposed by the Commonwealth under the Tax Reform Code.

(2) The agreement may not include any provisions regarding enforcement. The agreement and any renewal shall be executed at least six months prior to the date for the collection of the tax; shall have a duration of at least three years; and, after expiration, shall not be reinstituted for a period of three years. The agreement authorized by this subsection shall contain a provision appointing the department as the tax officer within the meaning of this act.

(3) The department, by regulation, shall establish the procedures for collecting the tax and paying the full amount collected to the political subdivision.

Section 306. Credits.

(a) General rule.--The provisions of section 14 of the Local Tax Enabling Act shall be used to determine any credits under the provisions of this chapter for any taxes imposed under section 304.

(b) State tax credit.--

(1) This section only applies to a taxpayer who is a resident of this Commonwealth and not a resident of a city of the first class but who is subject to the tax on salaries, wages, commissions or other compensation imposed by a city of the first class under the authority of the act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act.

1 (2) For tax years beginning in the first year in which a
2 political subdivision adopts a tax authorized by section 304
3 and each tax year thereafter, payment of a tax on salaries,
4 wages, commissions or other compensation as set forth in
5 paragraph (1) shall be credited to the political subdivision
6 of the taxpayer's residence at an amount no greater than the
7 tax on salaries, wages, commissions or other compensation as
8 set forth in paragraph (1) imposed by the political
9 subdivision in which the taxpayer resides.

10 (3) An amount equal to the aggregate amount of the tax
11 credited under paragraph (2) shall be paid by the
12 Commonwealth to the political subdivision of residence of
13 each taxpayer under paragraph (1) for the purpose of funding
14 homestead exclusions. The department shall prescribe
15 procedures to calculate the amount due to each political
16 subdivision qualifying under this paragraph and shall publish
17 the procedures in the Pennsylvania Bulletin.

18 Section 307. Exemptions.

19 A political subdivision which imposes an authorized tax under
20 this act may exempt from the payment of that tax any person
21 whose total income from all sources is less than \$7,500.

22 Section 308. Regulations.

23 (a) General rule.--Taxes imposed under section 304(b) shall
24 be subject to regulations adopted under section 13 of the Local
25 Tax Enabling Act. A political subdivision may adopt regulations
26 for the processing of claims for credits or exemptions under
27 sections 306 and 307.

28 (b) Personal income tax.--Regulations promulgated by the
29 department for personal income tax shall apply to any personal
30 income tax imposed by a political subdivision pursuant to this

1 act.

2 Section 309. Disposition of earned income and net profits tax
3 revenue or personal income tax revenue.

4 The disposition of revenue from any tax imposed under this
5 act or an increase in the rate of any tax imposed by political
6 subdivisions under the authority of this act shall occur in the
7 following manner:

8 (1) For the fiscal year of implementation of a newly
9 imposed income tax, all tax revenue received by a political
10 subdivision shall be used first to offset any lost revenue to
11 the political subdivision from the taxes prohibited under
12 section 301(b) in an amount equal to the revenue collected
13 from the prohibited taxes in section 301(b) in the preceding
14 fiscal year; second, to provide for an increase in budgeted
15 revenues over the preceding fiscal year in accordance with
16 the amount specified in the referendum question approved by
17 the voters under section 303; and third, to reduce the
18 political subdivision real property tax in the following
19 order:

20 (i) By means of an exclusion for homestead property
21 pursuant to 53 Pa.C.S. § 8583 (relating to exclusion for
22 homestead property).

23 (ii) By means of a reduction in the millage rate
24 after the limit on the exclusion for homestead property
25 has been reached under 53 Pa.C.S. § 8586 (relating to
26 limitations).

27 (2) For the fiscal year of implementation of an increase
28 in the rate of the existing tax imposed under this act, all
29 revenue received by a political subdivision directly
30 attributable to the increased rate shall be used to reduce

1 the political subdivision real property tax in the following
2 order:

3 (i) By means of an exclusion for homestead property
4 pursuant to 53 Pa.C.S. § 8583.

5 (ii) By means of a reduction in the millage rate
6 after the limit on the exclusion for homestead property
7 has been reached under 53 Pa.C.S. § 8586.

8 CHAPTER 5

9 COUNTY SALES AND USE TAX

10 Section 501. Construction.

11 The tax imposed by the governing body under this chapter
12 shall be in addition to any tax imposed by the Commonwealth
13 under Article II of the Tax Reform Code. Except for the
14 differing situs provisions under section 503, the provisions of
15 Article II of the Tax Reform Code shall apply to the tax.

16 Section 502. Imposition.

17 (a) Sales.--The governing body may levy and assess upon each
18 separate sale at retail of tangible personal property or
19 services, as defined in Article II of the Tax Reform Code,
20 within the boundaries of the county, a tax on the purchase
21 price. The tax shall be collected by the vendor from the
22 purchaser and shall be paid over to the Commonwealth as provided
23 in this chapter.

24 (b) Use.--In any county within which the tax authorized in
25 subsection (a) is imposed, there shall be levied, assessed and
26 collected upon the use, within the county, of tangible personal
27 property purchased at retail and on services purchased at
28 retail, as defined in Article II of the Tax Reform Code, a tax
29 on the purchase price. The tax shall be paid over to the
30 Commonwealth by the person who makes the use. The use tax

1 imposed under this chapter shall not be paid over to the
2 Commonwealth by any person who has paid the tax imposed under
3 subsection (a) or has paid the tax imposed by this subsection to
4 the vendor with respect to the use.

5 (c) Occupancy.--In any county within which a tax authorized
6 by subsection (a) is imposed, there shall be levied, assessed
7 and collected an excise tax on the rent upon every occupancy of
8 a room or rooms in a hotel in the county. The tax shall be
9 collected by the operator or owner from the occupant and paid
10 over to the Commonwealth.

11 (d) Rate and uniformity.--

12 (1) The tax authorized by subsections (a), (b) and (c)
13 shall be imposed at a rate of 1%.

14 (2) The tax imposed by subsections (a), (b) and (c)
15 shall be uniform.

16 (e) Computation.--The tax imposed under this section shall
17 be computed in the manner set forth in section 503(e)(2) of the
18 act of June 5, 1991 (P.L.9, No.6), known as the Pennsylvania
19 Intergovernmental Cooperation Authority Act for Cities of the
20 First Class.

21 Section 503. Situs.

22 The situs of sales at retail or uses, including leases, of
23 motor vehicles, aircraft, motorcraft and utility services shall
24 be determined in the manner specified by section 504 of the act
25 of June 5, 1991 (P.L.9, No.6), known as the Pennsylvania
26 Intergovernmental Cooperation Authority Act for Cities of the
27 First Class.

28 Section 504. Licenses.

29 A license for the collection of the tax imposed by this
30 chapter shall be issued in the same manner as is provided for in

1 section 505 of the act of June 5, 1991 (P.L.9, No.6), known as
2 the Pennsylvania Intergovernmental Cooperation Authority Act for
3 Cities of the First Class. Licensees shall be entitled to the
4 same discount as provided in section 227 of the Tax Reform Code.
5 Section 505. Rules and regulations; collection costs.

6 (a) Regulations.--Rules and regulations shall be applicable
7 to the taxes imposed under section 312 in the same manner as is
8 provided for in section 506(1) and (2) of the act of June 5,
9 1991 (P.L.9, No.6), known as the Pennsylvania Intergovernmental
10 Cooperation Authority Act for Cities of the First Class.

11 (b) Administrative costs.--The department, to cover its
12 costs of administration, shall be entitled to retain a sum equal
13 to 1% of the revenues collected under this chapter for
14 administrative costs. When the annual operating budget for the
15 department is submitted to the General Assembly, the department
16 shall also submit to the chairman and minority chairman of the
17 Appropriations Committee of the Senate and to the chairman and
18 minority chairman of the Appropriations Committee of the House
19 of Representatives the actual sums retained for costs of
20 collection in the preceding fiscal year, together with all
21 supporting details.

22 Section 506. Procedure and administration.

23 (a) Ordinance.--Any county desiring to impose the tax
24 authorized by section 502 shall give at least 60 days' written
25 notice to every municipality and school district located in the
26 county of its intent to impose the tax and shall adopt an
27 ordinance after the expiration of 60 days after the date of the
28 notice. The notice and an ordinance shall state the tax rate and
29 refer to this chapter. The ordinance shall authorize the
30 imposition of all taxes provided for in section 502. Prior to

1 adopting an ordinance imposing the tax authorized by section
2 502, the governing body of the county shall give public notice
3 of its intent to adopt the ordinance in the manner provided by
4 section 4 of the Local Tax Enabling Act and shall conduct at
5 least one public hearing regarding the proposed adoption of the
6 ordinance.

7 (b) Notification to department.--A certified copy of the
8 county ordinance shall be delivered to the department by
9 September 1 of the year prior to the effective date of the
10 ordinance. The county ordinance shall become effective on the
11 January 1 following at least four months after the date of
12 enactment of the county ordinance.

13 (c) Delivery of repeal ordinance.--A certified copy of a
14 repeal ordinance shall be delivered to the department at least
15 120 days prior to the effective date of the repeal.

16 Section 507. County sales and use tax funds.

17 There is hereby created for each county levying the tax under
18 section 502 the (proper name) County Sales and Use Tax Fund. The
19 State Treasurer shall be custodian of the funds which shall be
20 subject to the provisions of law applicable to funds listed in
21 section 302 of the act of April 9, 1929 (P.L.343, No.176), known
22 as The Fiscal Code. Taxes imposed under section 502 shall be
23 received by the department and paid to the State Treasurer and,
24 along with interest and penalties, less any collection costs
25 allowed under this subchapter and any refunds and credits paid,
26 shall be credited to the funds not less frequently than every
27 two weeks. During any period prior to the credit of moneys to
28 the funds, interest earned on moneys received by the department
29 and paid to the State Treasurer under this subchapter shall be
30 deposited into the respective funds. All moneys in each fund,

1 including, but not limited to, moneys credited to the funds
2 under this section, prior year encumbrances and the interest
3 earned thereon, shall not lapse or be transferred to any other
4 fund, but shall remain in that fund. Pending their disbursement,
5 moneys received on behalf of or deposited into each fund shall
6 be invested or reinvested as are other moneys in the custody of
7 the State Treasurer in the manner provided by law. All earnings
8 received from the investment or reinvestment of the moneys shall
9 be credited to the respective funds.

10 Section 508. Disbursements.

11 (a) General rule.--On or before the tenth day of every
12 month, the State Treasurer shall make the disbursements on
13 behalf of the county imposing the tax out of the moneys which
14 are, as of the last day of the previous month, contained in the
15 respective county sales and use tax fund.

16 (b) Disbursement to counties.--

17 (1) The State Treasurer shall disburse to a county
18 imposing the tax authorized under section 502 an amount of
19 money equal to 50% of the tax collected in that county and
20 remitted to the department and deposited in the respective
21 county sales and use tax fund.

22 (2) An amount of money equal to the remaining 50% of the
23 tax collected in that county shall be allocated to all of the
24 municipalities and school districts within that county as
25 follows:

26 (i) Twenty-five percent shall be allocated to all
27 municipalities within the county. Each municipality shall
28 be allocated a portion as computed under section 310(a).

29 (ii) Twenty-five percent shall be allocated to all
30 school districts within the county. Each school district

1 shall be allocated a portion as computed under section
2 310(b).

3 (3) The State Treasurer shall disburse to a county, in
4 addition to its share under paragraph (1), an amount of money
5 equal to the allocations to nonqualified municipalities and
6 school districts within the county.

7 (4) The county shall deposit the revenue from the
8 respective county sales and use tax fund into the county
9 general fund for disposition as provided under section
10 511(a).

11 (c) Disbursement to municipalities.--The State Treasurer
12 shall, at the same time, disburse to the qualified
13 municipalities an amount of money equal to their allocations
14 under paragraph (2)(i). Each municipality's portion shall be
15 deposited in the municipal general fund for disposition as
16 provided in section 511(b).

17 (d) Disbursement to school districts.--The State Treasurer
18 shall, at the same time, disburse to the qualified school
19 districts an amount of money equal to their allocations under
20 paragraph (2)(ii). Each school district's portion shall be
21 deposited in the school district's general fund for disposition
22 as provided in section 511(b).

23 (e) Penalty.--If disbursements are not made on or before the
24 tenth day of each month, a 5% penalty shall be added thereto
25 plus an additional 1% late charge per month delayed.

26 Section 509. Adoption of municipal resolutions and school
27 district petitions.

28 (a) General rule.--No municipality shall be entitled to a
29 disbursement under section 508(c) and no school district may
30 receive a disbursement under section 508(d) unless one of the

1 following applies:

2 (1) Prior to enactment of the county ordinance, it
3 adopts a municipal resolution or a school district petition
4 containing the statement:

5 We strongly urge the county to enact a county sales
6 and use tax and intend to accept disbursements of the
7 sales and use taxes collected.

8 Any municipality which does not enact an ordinance and a
9 school district which does not enact a petition in compliance
10 with this paragraph may not receive any distribution from
11 funds collected during the first 24 months immediately
12 following the initial date of imposition of the tax.

13 (2) Prior to October 1 of any year after the enactment
14 of the county resolution, it adopts a municipal resolution or
15 a school district petition containing the statement:

16 We support the enactment by the county of the county
17 sales and use tax and strongly urge its continuation
18 and intend to accept disbursements of the sales and
19 use taxes collected.

20 (b) Delivery.--A certified copy of the municipal resolution
21 or the school district petition shall be delivered to the county
22 commissioners on or before the enactment of the county
23 resolution or October 15 of any year thereafter, as the case may
24 be.

25 Section 510. Allocations and qualifications.

26 (a) Allocations to municipalities.--The State Treasurer
27 shall compute allocations to municipalities in the following
28 manner:

29 (1) Fifty percent of the money allocated to
30 municipalities shall be pursuant to a format in which the

total allocation to municipalities multiplied by the ratio of weighted tax revenues of the municipality divided by the sum of the weighted tax revenues of all municipalities located in the county.

(2) Fifty percent of the money allocated to municipalities shall be returned to the municipality of origin of the sales tax revenue.

(b) Allocations to school districts.--Each school district shall be allocated a portion of the total allocation to school districts which is equal to the total allocation to school districts multiplied by the ratio of average daily membership of the school district divided by the sum of the average daily membership of all school districts in the county.

(c) Qualifications.--Municipalities and school districts qualified to receive disbursements under section 508(c) or (d) are municipalities and school districts located within the county, which:

(1) Adopt in a timely fashion the ordinance or petition required under section 509.

(2) Adopt the necessary ordinances or, in the case of school districts, take the legally necessary action and impose the taxes authorized under this chapter.

(d) Calculation of weighted tax revenues.--Calculations of weighted tax revenues shall be made by the Department of Community and Economic Development or any successor agency and certified to the State Treasurer based upon information reported to the Department of Community and Economic Development or any successor agency, subject to review, verification and approval by the Department of Community and Economic Development or any successor agency.

1 Section 511. Sales tax revenues.

2 (a) Counties.--One hundred percent of any additional
3 revenues received by a county from the sales and use tax shall
4 be used to offset the revenues lost as a result of the
5 prohibition against imposition of the taxes enumerated in
6 section 301(b) and then to reduce the county real property tax
7 by means of a homestead exclusion.

8 (b) Municipalities and school districts.--One hundred
9 percent of any additional revenues shall be used to offset the
10 revenues lost as a result of the prohibition against imposition
11 of the taxes enumerated in section 301(b) and then to reduce
12 real property tax by means of a homestead exclusion.

13 CHAPTER 11

14 MISCELLANEOUS PROVISIONS

15 Section 1101. Effective date.

16 This act shall take effect in 60 days.