

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 894

Session of  
1977

INTRODUCED BY GALLEN, APRIL 19, 1977

REFERRED TO COMMITTEE ON FINANCE, APRIL 19, 1977

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),  
2 entitled, "An act empowering cities of the second class,  
3 cities of the second class A, cities of the third class,  
4 boroughs, towns, townships of the first class, townships of  
5 the second class, school districts of the second class,  
6 school districts of the third class and school districts of  
7 the fourth class including independent school districts, to  
8 levy, assess, collect or to provide for the levying,  
9 assessment and collection of certain taxes subject to maximum  
10 limitations for general revenue purposes; authorizing the  
11 establishment of bureaus and the appointment and compensation  
12 of officers, agencies and employes to assess and collect such  
13 taxes; providing for joint collection of certain taxes,  
14 prescribing certain definitions and other provisions for  
15 taxes levied and assessed upon earned income, providing for  
16 annual audits and for collection of delinquent taxes, and  
17 permitting and requiring penalties to be imposed and  
18 enforced, including penalties for disclosure of confidential  
19 information, providing an appeal from the ordinance or  
20 resolution levying such taxes to the court of quarter  
21 sessions and to the Supreme Court and Superior Court,"  
22 excluding from the definition of earned income, any income  
23 derived from the rental of real estate.

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

26 Section 1. The definition of "earned income" in Division I  
27 of section 13, act of December 31, 1965 (P.L.1257, No.511),  
28 known as "The Local Tax Enabling Act," is amended to read:

29 Section 13. Earned Income Taxes.--On and after the effective

1 date of this act the remaining provisions of this section shall  
2 be included in or construed to be a part of each tax levied and  
3 assessed upon earned income by any political subdivision levying  
4 and assessing such tax pursuant to this act. The definitions  
5 contained in this section shall be exclusive for any tax upon  
6 earned income and net profits levied and assessed pursuant to  
7 this act, and shall not be altered or changed by any political  
8 subdivision levying and assessing such tax.

9 I. Definitions

10 \* \* \*

11 "Earned income." Salaries, wages, commissions, bonuses,  
12 incentive payments, fees, tips and other compensation received  
13 by a person or his personal representative for services  
14 rendered, whether directly or through an agent, and whether in  
15 cash or in property; not including, however, wages or  
16 compensation paid to persons on active military service, any  
17 income derived from the rental of real property, periodic  
18 payments for sickness and disability other than regular wages  
19 received during a period of sickness, disability or retirement  
20 or payments arising under workmen's compensation acts,  
21 occupational disease acts and similar legislation, or payments  
22 commonly recognized as old age benefits, retirement pay or  
23 pensions paid to persons retired from service after reaching a  
24 specific age or after a stated period of employment or payments  
25 commonly known as public assistance, or unemployment  
26 compensation payments made by any governmental agency or  
27 payments to reimburse expenses or payments made by employers or  
28 labor unions for wage and salary supplemental programs,  
29 including, but not limited to, programs covering  
30 hospitalization, sickness, disability or death, supplemental

1 unemployment benefits, strike benefits, social security and  
2 retirement.

3 \* \* \*

4 Section 2. This act shall take effect immediately.