

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1652 Session of
1981

INTRODUCED BY WILSON, J. L. WRIGHT, GREENWOOD, NAHILL,
GALLAGHER, VROON, ARTY, CORNELL, LASHINGER, FREIND,
E. Z. TAYLOR, GANNON, MORRIS AND SPITZ, JUNE 17, 1981

REFERRED TO COMMITTEE ON FINANCE, JUNE 17, 1981

AN ACT

1 Amending the act of August 5, 1932 (Sp.Sess., P.L.45, No.45),
2 entitled, as amended, "An act empowering cities of the first
3 class to levy, assess and collect, or to provide for the
4 levying, assessment and collection of, certain additional
5 taxes for general revenue purposes; authorizing the
6 establishment of bureaus, and the appointment and
7 compensation of officers and employes to assess and collect
8 such taxes; and permitting penalties to be imposed and
9 enforced," further providing for the types and rates of
10 authorized taxes and making a repeal.

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

13 Section 1. Section 1, act of August 5, 1932 (Sp.Sess.,
14 P.L.45, No.45), referred to as the Sterling Act, amended July
15 26, 1961 (P.L.904, No.388), is amended to read:

16 Section 1. (a) Be it enacted, &c., That from and after the
17 effective date of this act, the council of any city of the first
18 class shall have the authority by ordinance, for general revenue
19 purposes, to levy, assess and collect, or provide for the
20 levying, assessment and collection of, such taxes on persons,
21 transactions, occupations, privileges, subjects and personal

1 property, within the limits of such city of the first class, as
2 it shall determine, except that such council shall not have
3 authority to levy, assess and collect, or provide for the
4 levying, assessment and collection of, any tax on a privilege,
5 transaction, subject or occupation, or on personal property,
6 which is now or may hereafter become subject to a State tax or
7 license fee and except that the tax on the income of residents
8 and nonresidents shall not exceed those limitations provided for
9 in subsections (d) and (e). If, subsequent to the passage of any
10 ordinance under the authority of this act, the General Assembly
11 shall impose a tax or license fee on any privilege, transaction,
12 subject or occupation, or on personal property, taxed by any
13 city of the first class hereunder, the act of Assembly imposing
14 the State tax thereon shall automatically vacate the city
15 ordinance passed under the authority of this act as to all taxes
16 accruing subsequent to the effective date of the act imposing
17 the State tax or license fee. It is the intention of this
18 section to confer upon cities of the first class the power to
19 levy, assess and collect taxes upon any and all subjects of
20 taxation which the Commonwealth has power to tax but which it
21 does not now tax or license, subject only to the foregoing
22 provisions that any tax upon a subject which the Commonwealth
23 may hereafter tax or license shall automatically terminate upon
24 the effective date of the State act imposing the new tax or
25 license fee. Any tax imposed in excess of the limitations
26 provided in subsections (d) and (e) shall be null and void to
27 the extent that the tax exceeds or otherwise violates those
28 limitations.

29 (b) It shall be the duty of the State Treasurer or other
30 appropriate State official at the time of payment of the salary,

1 wage or other compensation to any officer or employe of the
2 Commonwealth of Pennsylvania, with the exception of elected
3 officials, domiciled or rendering services within any first
4 class city, to deduct any tax imposed by such city on the
5 salary, wage or other compensation paid by the Commonwealth to
6 any officer or employe thereof.

7 (c) The State Treasurer or other appropriate State official
8 shall on or before the last day of April, July, October and
9 January of each year, beginning with October, 1961, make a
10 return on a form furnished by or obtainable from the revenue
11 commissioner of such city and remit to the revenue commissioner
12 the amount of tax so deducted for the three month period ending
13 on the last day of the month preceding.

14 (d) A city of the first class shall be empowered to levy,
15 assess and collect a tax only on those salaries, wages,
16 commissions, compensation or other income received or to be
17 received for work done or services performed within such city by
18 persons who are not legal residents of such city, and said tax
19 shall not exceed the rate of two and two-tenths per cent (2.2%)
20 for the tax year 1983 or for any tax year thereafter.

21 (e) A city of the first class shall be empowered to levy,
22 assess and collect a tax on the personal income of all
23 individuals who are residents of that city, consistent with the
24 provisions of Article III, act of March 4, 1971 (P.L.6, No.2),
25 known as the "Tax Reform Code of 1971."

26 (f) A city of the first class levying the personal income
27 tax authorized by subsection (e) shall provide relief from the
28 tax for persons who, because of poverty, are determined to be in
29 need of special tax provisions. Such tax relief shall be in
30 accordance with the special tax provision schedule in section

1 304 of the "Tax Reform Code of 1971."

2 (g) A city of the first class levying the personal income
3 tax authorized by subsection (e) may provide relief from the tax
4 for persons who, because of age, are determined to be in need of
5 special tax provisions. Such tax relief shall be in accordance
6 with section 4, act of March 11, 1971 (P.L.104, No.3), known as
7 the "Senior Citizens Property Tax or Rent Rebate and Older
8 Persons Inflation Needs Act."

9 Section 2. The first and second paragraphs of section
10 359(b), act of March 4, 1971 (P.L.6, No.2), known as the "Tax
11 Reform Code of 1971," are repealed to the extent that they
12 provide for rates, and the suspension of rates, of taxation in
13 excess of those provided in section 1 of this act.

14 Section 3. This act shall take effect immediately and shall
15 apply to the tax year 1983 and each tax year thereafter.