

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1800 Session of
1981

INTRODUCED BY BITTLE AND PUNT, SEPTEMBER 15, 1981

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, SEPTEMBER 15, 1981

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 further providing for the payment of tax.

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

25 Section 1. Section 14, act of December 31, 1965 (P.L.1257,
26 No.511), known as "The Local Tax Enabling Act," amended October
27 26, 1972 (P.L.1043, No.261), is amended to read:

1 Section 14. Payment of Tax to Other Political Subdivisions
2 or States as Credit or Deduction; Withholding Tax.--(a) Payment
3 of any tax to any political subdivision pursuant to an ordinance
4 or resolution passed or adopted prior to the effective date of
5 this act shall be credited to and allowed as a deduction from
6 the liability of taxpayers for any like tax respectively on
7 salaries, wages, commissions, other compensation or on net
8 profits of businesses, professions or other activities and for
9 any income tax imposed by any other political subdivision of
10 this Commonwealth under the authority of this act.

11 (b) Payment of any tax on salaries, wages, commissions,
12 other compensation or on net profits of business, professions or
13 other activities to a political subdivision by residents thereof
14 pursuant to an ordinance or resolution passed or adopted under
15 the authority of this act shall be credited to and allowed as a
16 deduction from the liability of such persons for any other like
17 tax respectively on salaries, wages, commissions, other
18 compensation or on net profits of businesses, professions or
19 other activities imposed by any other political subdivision of
20 this Commonwealth under the authority of this act.

21 (c) Payment of any tax on income to any political
22 subdivision by residents thereof pursuant to an ordinance or
23 resolution passed or adopted under the authority of this act
24 shall, to the extent that such income includes salaries, wages,
25 commissions, other compensation or net profits of businesses,
26 professions or other activities, but in such proportion as
27 hereinafter set forth, be credited to and allowed as a deduction
28 from the liability of such persons for any other tax on
29 salaries, wages, commissions, other compensation or on net
30 profits of businesses, professions, or other activities imposed

1 by any other political subdivision of this Commonwealth under
2 the authority of this act.

3 (d) Payment of any tax on income to any state or to any
4 political subdivision thereof by residents thereof, pursuant to
5 any State or local law, [may, at the discretion of the
6 Pennsylvania political subdivision imposing such tax] shall, to
7 the extent that such income includes salaries, wages,
8 commissions, or other compensation or net profits of businesses,
9 professions or other activities but in such proportions as
10 hereinafter set forth, be credited to and allowed as a deduction
11 from the liability of such person for any other tax on salaries,
12 wages, commissions, other compensation or net profits of
13 businesses, professions or other activities imposed by any
14 political subdivision of this Commonwealth under the authority
15 of this act, if residents of the political subdivision in
16 Pennsylvania received credits and deductions of a similar kind
17 to a like degree from the tax on income imposed by the other
18 state or political subdivision thereof.

19 (e) Payment of any tax on income to any State other than
20 Pennsylvania or to any political subdivision located outside the
21 boundaries of this Commonwealth, by residents of a political
22 subdivision located in Pennsylvania shall, to the extent that
23 such income includes salaries, wages, commissions, or other
24 compensation or net profits of businesses, professions or other
25 activities but in such proportions as hereinafter set forth, be
26 credited to and allowed as a deduction from the liability of
27 such person for any other tax on salaries, wages, commissions,
28 other compensation or net profits of businesses, professions or
29 other activities imposed by any political subdivision of this
30 Commonwealth under the authority of this act.

1 (f) Where a credit or a deduction is allowable in any of the
2 several cases hereinabove provided, it shall be allowed in
3 proportion to the concurrent periods for which taxes are imposed
4 by the other state or respective political subdivisions, but not
5 in excess of the amount previously paid for a concurrent period.

6 (g) No credit or deduction shall be allowed against any tax
7 on earned income imposed under authority of this act to the
8 extent of the amount of credit or deduction taken for the same
9 period by the taxpayer against any income tax imposed by the
10 Commonwealth of Pennsylvania under section 314 of the act of
11 March 4, 1971 (P.L.6, No.2) known as the "Tax Reform Code of
12 1971," on account of taxes imposed on income by other states or
13 by their political subdivisions.

14 Section 2. This act shall take effect immediately and shall
15 apply to the next succeeding tax year following the date of
16 final enactment.