THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1999 Session of 1981

INTRODUCED BY POTT, ITKIN AND DAWIDA, OCTOBER 21, 1981

AS AMENDED ON SECOND CONSIDERATION, IN SENATE, MAY 4, 1982

AN ACT

1 Amending the act of August 24, 1961 (P.L.1135, No.508), entitled
2   "An act imposing a tax for general public school purposes in
3   school districts of the first class A on salaries, wages,
4   commissions and other compensation earned by residents
5   thereof, and on the net profits earned from businesses,
6   professions or other activities conducted by residents
7   thereof; providing for its levy and collection; requiring the
8   filing of declarations and returns and the giving of
9   information by employers and by those subject to the tax;
10   imposing on employers the duty of collecting the tax at
11   source; conferring and imposing powers and duties on boards
12   of public education and school treasurers in such districts;
13   providing for the administration and enforcement of the act
14   and imposing penalties for violation thereof," further
15   providing for the withholding procedure by employers of taxes
16   and increasing the interest and penalties assessed for late
17   payments.

18   The General Assembly of the Commonwealth of Pennsylvania

19 hereby enacts as follows:

20   Section 1. Subsection (b) of section 4, act of August 24,

21 1961 (P.L.1135, No.508), entitled "An act imposing a tax for

22 general public school purposes in school districts of the first

23 class A on salaries, wages, commissions and other compensation

24 earned by residents thereof, and on the net profits earned from

1 businesses, professions or other activities conducted by

2 residents thereof; providing for its levy and collection;

3 requiring the filing of declarations and returns and the giving

4 of information by employers and by those subject to the tax;

5 imposing on employers the duty of collecting the tax at source;

6 conferring and imposing powers and duties on boards of public

7 education and school treasurers in such districts; providing for

8 the administration and enforcement of the act and imposing

9 penalties for violation thereof," is amended and subsections are

10 added to read:

11   Section 4. Collection at Source.--* * *

12   (b) Every person and/or resident employer within a school

13 district imposing [a tax under this act] taxes on a person's

14 earnings, who employs one or more persons on a salary, wage,

15 commission or other compensation basis, other than domestic

16 servants, and who withholds, expects to withhold or should

17 withhold from employes an aggregate amount less than two hundred

18 dollars ($200) per month in said taxes, shall deduct those taxes

19 on the salaries, wages, commissions and other compensation due

20 to his employe or employes, monthly or more often than monthly,

21 at the time of payment thereof[, the tax imposed by this act on

22 the salaries, wages, commissions and other compensation due to

23 his employe or employes,] and shall, on or before April 30, July

24 31 and October 31 of the tax year and January 31 of the year

25 next succeeding the tax year, file a return of taxes deducted,

26 on [a form] forms prescribed by the treasurer, and pay to the

27 treasurer the amount of taxes deducted during the preceding

28 three-month periods ending March 31, June 30, September 30 and

29 December 31 of the tax year, respectively.

30   (b.1) Every person and/or resident employer within a school

1 district imposing taxes on a person's earnings, who employs one

2 or more persons on a salary, wage, commission or other

3 compensation basis, other than domestic servants, and who

4 withholds, expects to withhold or should withhold from employes

5 an aggregate amount greater than or equal to two hundred dollars

6 ($200) per month in said taxes, shall deduct those taxes on the

7 salaries, wages, commissions and other compensation due to his

8 employe or employes monthly or more often than monthly, at the

9 time of payment thereof, and shall, on February 15, March 15,

10 May 15, June 15, August 15, September 15, November 15 and

11 December 15 and January 30, April 30, July 30 and October 30

12 file a return of taxes deducted on forms prescribed by the

13 treasurer and pay to the treasurer the amount of taxes deducted

14 during the previous month of the tax year respectively.

15   * * *

16   (g) Every employer who wilfully or negligently fails or

17 omits to make the deductions required by this section shall be

18 liable for payment of the taxes which he was required to

19 withhold to the extent that such taxes have not been recovered

20 from the employe.

21   Section 2. Section 7 of the act is amended to read:

22   Section 7. Interest and Penalties.--If for any reason the

23 tax imposed by this act or any other tax imposed on a person's

24 earnings by school districts of the first class A is not paid

25 when due, interest at the rate of six per centum per annum on

26 the amount of said [tax] taxes or interest at a per annum rate

27 which does not exceed the Federal Reserve Discount Rate in

28 effect for Federal Reserve District Four on December 1 of the

29 preceding tax year, whichever is greater, and an additional

30 penalty of [one-half of one per centum] five per centum of the

1 amount of the unpaid [tax] taxes for each month or fraction

2 thereof during which the [tax remains] taxes remain unpaid,

3 shall be added and collected: Provided, That the additional

4 penalty imposed herein shall not exceed fifty per centum of the

5 unpaid taxes. A school district shall, on or before December 31,

6 establish by resolution the specific per annum interest rate to

7 be imposed on unpaid taxes during the following tax year. Where

8 suit is brought for the recovery of any such tax, the person

9 liable therefor shall, in addition, be liable for the costs of

10 collection and the interest and penalties herein imposed.

11   Section 3. (a) Section 1 of this THIS act shall take effect   <——

12 immediately.

13   (b) Section 2 of this act shall take effect November 30,   <——

14 1981.