

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1696 Session of  
1993

INTRODUCED BY KASUNIC, DeLUCA, DALEY, PETRONE, TRELLO, BARLEY,  
STABACK AND EGOLF, MAY 26, 1993

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MAY 26, 1993

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 prohibiting financially distressed municipalities from  
23 imposing a wage tax on nonresidents.

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

26 Section 1. Section 8 of the act of December 31, 1965  
27 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended  
28 October 11, 1984 (P.L.885, No.172) and July 9, 1987 (P.L.203,

1 No.30), is amended to read:

2 Section 8. Limitations on Rates of Specific Taxes.--(a) No  
3 taxes levied under the provisions of this act shall be levied by  
4 any political subdivision on the following subjects exceeding  
5 the rates specified in this section:

6 (1) Per capita, poll or other similar head taxes, ten  
7 dollars (\$10).

8 (2) On each dollar of the whole volume of business  
9 transacted by wholesale dealers in goods, wares and merchandise,  
10 one mill, by retail dealers in goods, wares and merchandise and  
11 by proprietors of restaurants or other places where food, drink  
12 and refreshments are served, one and one-half mills; except in  
13 cities of the second class, where rates shall not exceed one  
14 mill on wholesale dealers and two mills on retail dealers and  
15 proprietors. No such tax shall be levied on the dollar volume of  
16 business transacted by wholesale and retail dealers derived from  
17 the resale of goods, wares and merchandise, taken by any dealer  
18 as a trade-in or as part payment for other goods, wares and  
19 merchandise, except to the extent that the resale price exceeds  
20 the trade-in allowance.

21 (3) On wages, salaries, commissions and other earned income  
22 of individuals, one percent.

23 (4) On retail sales involving the transfer of title or  
24 possession of tangible personal property, two percent.

25 (5) On the transfer of real property, one percent.

26 (6) On admissions to places of amusement, athletic events  
27 and the like, and on motion picture theatres in cities of the  
28 second class, ten percent.

29 (7) Flat rate occupation taxes not using a millage or  
30 percentage as a basis, ten dollars (\$10).

(8) Occupational privilege taxes, ten dollars (\$10).

(9) On admissions to ski facilities, ten percent. The tax base upon which the tax shall be levied shall not exceed forty percent of the cost of the lift ticket. The lift ticket shall include all costs of admissions to the ski facility.

(10) On admissions to golf courses, ten percent. The tax base upon which the tax shall be levied shall not exceed forty percent of the greens fee. The greens fee shall include all costs of admissions to the golf course.

(11) On admissions to bowling alleys or bowling lanes, ten percent. The tax base upon which the tax shall be levied shall not exceed forty percent of the charge imposed upon a patron for the sale of admission to or the privilege of admission to a bowling alley or bowling lane to engage in one or more games of bowling.

(b) Except as otherwise provided in this act, at any time two political subdivisions shall impose any one of the above taxes on the same person, subject, business, transaction or privilege, located within both such political subdivisions, during the same year or part of the same year, under the authority of this act then the tax levied by a political subdivision under the authority of this act shall, during the time such duplication of the tax exists, except as hereinafter otherwise provided, be one-half of the rate, as above limited, and such one-half rate shall become effective by virtue of the requirements of this act from the day such duplication becomes effective without any action on the part of the political subdivision imposing the tax under the authority of this act.

When any one of the above taxes has been levied under the provisions of this act by one political subdivision and a

1 subsequent levy is made either for the first time or is revived  
2 after a lapse of time by another political subdivision on the  
3 same person, subject, business, transaction or privilege at a  
4 rate that would make the combined levies exceed the limit  
5 allowed by this subdivision, the tax of the second political  
6 subdivision shall not become effective until the end of the  
7 fiscal year for which the prior tax was levied, unless:

8 (1) Notice indicating its intention to make such levy is  
9 given to the first taxing body by the second taxing body as  
10 follows: (i) when the notice is given to a school district it  
11 shall be given at least forty-five days prior to the last day  
12 fixed by law for the levy of its school taxes; (ii) when given  
13 to any other political subdivision it shall be prior to the  
14 first day of January immediately preceding, or if a last day for  
15 the adoption of the budget is fixed by law, at least forty-five  
16 days prior to such last day; or

17 (2) Unless the first taxing body shall indicate by  
18 appropriate resolution its desire to waive notice requirements  
19 in which case the levy of the second taxing body shall become  
20 effective on such date as may be agreed upon by the two taxing  
21 bodies.

22 (c) It is the intent and purpose of this provision to limit  
23 rates of taxes referred to in this section so that the entire  
24 burden of one tax on a person, subject, business, transaction or  
25 privilege shall not exceed the limitations prescribed in this  
26 section: Provided, however, That any two political subdivisions  
27 which impose any one of the above taxes, on the same person,  
28 subject, business, transaction or privilege during the same year  
29 or part of the same year may agree among themselves that,  
30 instead of limiting their respective rates to one-half of the

1 maximum rate herein provided, they will impose respectively  
2 different rates, the total of which shall not exceed the maximum  
3 rate as above permitted.

4 (d) Notwithstanding the provisions of this section, any city  
5 of the second class A may enact a tax upon wages, salaries,  
6 commissions and other earned income of individuals resident  
7 therein, not exceeding one percent, even though a school  
8 district levies a similar tax on the same person provided that  
9 the aggregate of both taxes does not exceed two percent.

10 (e) Notwithstanding the provisions of this section, any  
11 municipality determined to be distressed pursuant to section  
12 203(f) of the act of July 10, 1987 (P.L.246, No.47), known as  
13 the "Municipalities Financial Recovery Act," shall not have the  
14 authority to impose or levy a wage tax on a nonresident.

15 Section 2. This act shall take effect in 60 days.