
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2197 Session of
1993

INTRODUCED BY FLICK, TIGUE, LAUB AND HENNESSEY,
NOVEMBER 22, 1993

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, NOVEMBER 22, 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 further providing for the rate and imposition of the tax on
23 earned income.

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, where the levy is imposed by a political
23 subdivision, other than a school district, one percent, and
24 where the levy is imposed by a school district, one-half
25 percent.

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

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

29 (6) On admissions to places of amusement, athletic events
30 and the like, and on motion picture theatres in cities of the

1 second class, ten percent.

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

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

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

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

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

19 (b) (1) Except as otherwise provided in this act, at any
20 time two political subdivisions shall impose any one of the
21 above taxes on the same person, subject, business, transaction
22 or privilege, located within both such political subdivisions,
23 during the same year or part of the same year, under the
24 authority of this act then the tax levied by a political
25 subdivision under the authority of this act shall, during the
26 time such duplication of the tax exists, except as hereinafter
27 otherwise provided, be one-half of the rate, as above limited,
28 and such one-half rate shall become effective by virtue of the
29 requirements of this act from the day such duplication becomes
30 effective without any action on the part of the political

1 subdivision imposing the tax under the authority of this act.
2 When any one of the above taxes has been levied under the
3 provisions of this act by one political subdivision and a
4 subsequent levy is made either for the first time or is revived
5 after a lapse of time by another political subdivision on the
6 same person, subject, business, transaction or privilege at a
7 rate that would make the combined levies exceed the limit
8 allowed by this subdivision, the tax of the second political
9 subdivision shall not become effective until the end of the
10 fiscal year for which the prior tax was levied, unless:

11 [(1)] (i) Notice indicating its intention to make such levy
12 is given to the first taxing body by the second taxing body as
13 follows:

14 [(i)] (A) when the notice is given to a school district it
15 shall be given at least forty-five days prior to the last day
16 fixed by law for the levy of its school taxes;

17 [(ii)] (B) when given to any other political subdivision it
18 shall be prior to the first day of January immediately
19 preceding, or if a last day for the adoption of the budget is
20 fixed by law, at least forty-five days prior to such last day;
21 or

22 [(2)] (ii) Unless the first taxing body shall indicate by
23 appropriate resolution its desire to waive notice requirements
24 in which case the levy of the second taxing body shall become
25 effective on such date as may be agreed upon by the two taxing
26 bodies.

27 (2) It is the intent and purpose of this provision to limit
28 rates of taxes referred to in this section so that the entire
29 burden of one tax on a person, subject, business, transaction or
30 privilege shall not exceed the limitations prescribed in this

1 section: Provided, however, That any two political subdivisions
2 which impose any one of the above taxes, on the same person,
3 subject, business, transaction or privilege during the same year
4 or part of the same year may agree among themselves that,
5 instead of limiting their respective rates to one-half of the
6 maximum rate herein provided, they will impose respectively
7 different rates, the total of which shall not exceed the maximum
8 rate as above permitted.

9 (c) (1) Notwithstanding the provisions of this section, any
10 city of the second class A may enact a tax upon wages, salaries,
11 commissions and other earned income of individuals resident
12 therein, not exceeding one percent, even though a school
13 district levies a similar tax on the same person provided that
14 the aggregate of both taxes does not exceed two percent.

15 (2) Notwithstanding the provisions of subsection (b), any
16 city of the second class, city of the third class, borough,
17 town, township of the first class or township of the second
18 class may enact a tax upon wages, salaries, commissions and
19 other earned income of individuals resident therein, not
20 exceeding one percent, even though a school district levies a
21 similar tax on the same person, provided that the aggregate of
22 both taxes does not exceed one and one-half percent.

23 Section 2. (a) If a city of the second class, city of the
24 third class, borough, town, township of the first class or
25 township of the second class, pursuant to this amendatory act,
26 increases the rate of a tax on earned income levied by it, a
27 school district shall have no claim to any of the revenues
28 generated by the increase.

29 (b) When a tax on earned income is levied by a school
30 district and a city of the second class, city of the third

1 class, borough, town, township of the first class or township of
2 the second class, the maximum rate of the tax on earned income
3 levied by the school district shall not exceed 0.5%, or the rate
4 in effect on January 1, 1992, whichever is higher.

5 Section 3. This act shall take effect in 60 days.