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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE RESOLUTION**

**No. 509**      Session of  
2005

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INTRODUCED BY SCAVELLO, NOVEMBER 14, 2005

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REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 14, 2005

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A RESOLUTION

1 Directing the Local Government Commission to study the  
2 feasibility of a regionalized collection system for the  
3 locally imposed earned income tax levied by the  
4 Commonwealth's school districts and municipalities.

5 WHEREAS, The Department of Community and Economic Development  
6 in August 2004 released a report that illustrated the  
7 inefficiencies of the locally imposed earned income tax  
8 collection system; and

9 WHEREAS, The Department of Community and Economic Development  
10 estimated that the fragmented and dysfunctional earned income  
11 tax collection system causes the loss of more than \$100 million  
12 annually and increases the cost of doing business in this  
13 Commonwealth; and

14 WHEREAS, The majority of the current local income tax  
15 collection systems utilized in this Commonwealth suffer from a  
16 lack of cooperation among the estimated 560 different tax  
17 collectors; and

18 WHEREAS, It is estimated that 80% of the 560 income tax

1 collectors in this Commonwealth collect a local income tax from  
2 only one or two taxing jurisdictions, which duplicates work  
3 among collectors and inflates costs; and

4 WHEREAS, Enactment of Act 72 of 2004, Act 24 of 2001 and  
5 other acts authorizing local taxing authorities to increase  
6 their locally imposed income tax beyond the determined rate in  
7 Act 511 of 1965 has created a large disparity in the income tax  
8 rates which local authorities may levy; therefore be it

9 RESOLVED, That the House of Representatives direct the Local  
10 Government Commission to study the possibility of a regional  
11 collection system; and be it further

12 RESOLVED, That, if a regional collection system is determined  
13 to be feasible, the Local Government Commission work in  
14 conjunction with the Department of Community and Economic  
15 Development on suggested draft legislation implementing a  
16 regional collection system; and be it further

17 RESOLVED, That the Local Government Commission report its  
18 findings and recommendation, including any suggested  
19 legislation, to the House of Representatives within six months  
20 of the adoption of this resolution.