
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 509 Session of
2005

INTRODUCED BY SCAVELLO, NOVEMBER 14, 2005

AS AMENDED, HOUSE OF REPRESENTATIVES, FEBRUARY 8, 2006

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~~ REVIEW THE DEPARTMENT OF COMMUNITY AND <—
12 ECONOMIC DEVELOPMENT REPORT AND COMMENTS THERETO, ALONG WITH
13 SUCH OTHER EXISTING COMMENTARY AS IT DEEMS NECESSARY TO
14 DETERMINE THE FEASIBILITY OF REGIONAL COLLECTION SYSTEMS; and be
15 it further

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

21 RESOLVED, That the Local Government Commission report its
22 findings and recommendation, including any suggested
23 legislation, to the House of Representatives within six months
24 of the adoption of this resolution.