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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

**No. 218**      Session of  
2007

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INTRODUCED BY BROWNE, KASUNIC, BOSCOLA, FONTANA, ROBBINS, STOUT,  
COSTA, FOLMER, ARMSTRONG, PUNT, REGOLA, GORDNER, PILEGGI,  
ERICKSON, O'PAKE, VANCE, C. WILLIAMS, LOGAN, WAUGH, BRUBAKER,  
PIPPY, WONDERLING, SCARNATI, BAKER AND FUMO, JANUARY 29, 2007

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AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,  
MAY 23, 2007

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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 providing for local services taxes; repealing provisions  
23 relating to emergency and municipal services taxes and to  
24 continuation of occupational privilege taxes; and making  
25 editorial changes.

26 The General Assembly of the Commonwealth of Pennsylvania  
27 hereby enacts as follows:

1 Section 1. Section 2 of the act of December 31, 1965  
2 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended  
3 December 1, 2004 (P.L.1729, No.222), is amended to read:

4 Section 2. Delegation of Taxing Powers and Restrictions

5 Thereon.--(A) The duly constituted authorities of the following <—  
6 political subdivisions, cities of the second class, cities of  
7 the second class A, cities of the third class, boroughs, towns,  
8 townships of the first class, townships of the second class,  
9 school districts of the second class, school districts of the  
10 third class, and school districts of the fourth class, in all  
11 cases including independent school districts, may, in their  
12 discretion, by ordinance or resolution, for general revenue  
13 purposes, levy, assess and collect or provide for the levying,  
14 assessment and collection of such taxes as they shall determine  
15 on persons, transactions, occupations, privileges, subjects and  
16 personal property within the limits of such political  
17 subdivisions, and upon the transfer of real property, or of any  
18 interest in real property, situate within the political  
19 subdivision levying and assessing the tax, regardless of where  
20 the instruments making the transfers are made, executed or  
21 delivered or where the actual settlements on such transfer take  
22 place. The taxing authority may provide that the transferee  
23 shall remain liable for any unpaid realty transfer taxes imposed  
24 by virtue of this act. ~~Each local taxing authority may, by~~ <—

25 (B) EACH LOCAL TAXING AUTHORITY MAY, BY ordinance or <—  
26 resolution, exempt any person whose total income from all  
27 sources is less than twelve thousand dollars (\$12,000) per annum  
28 from the per capita or similar head tax, occupation tax [and  
29 emergency and municipal services tax,] or earned income tax, or  
30 any portion thereof, and may adopt regulations for the

1 processing of claims for exemptions. ~~Each political subdivision~~ <—

2 (C) (1) EACH POLITICAL SUBDIVISION LEVYING THE LOCAL <—  
3 SERVICES TAX SHALL EXEMPT THE FOLLOWING PERSONS FROM THE LOCAL  
4 SERVICES TAX:

5 (I) ANY PERSON WHO SERVED IN ANY WAR OR ARMED CONFLICT IN  
6 WHICH THE UNITED STATES WAS ENGAGED AND IS HONORABLY DISCHARGED  
7 OR RELEASED UNDER HONORABLE CIRCUMSTANCES FROM ACTIVE SERVICE  
8 IF, AS A RESULT OF MILITARY SERVICE, THE PERSON IS BLIND,  
9 PARAPLEGIC OR A DOUBLE OR QUADRUPLE AMPUTEE OR HAS A SERVICE-  
10 CONNECTED DISABILITY DECLARED BY THE UNITED STATES VETERANS'  
11 ADMINISTRATION OR ITS SUCCESSOR TO BE A TOTAL ONE HUNDRED  
12 PERCENT PERMANENT DISABILITY.

13 (II) ANY PERSON WHO SERVES AS A MEMBER OF A RESERVE  
14 COMPONENT OF THE ARMED FORCES AND IS CALLED TO ACTIVE DUTY AT  
15 ANY TIME DURING THE TAXABLE YEAR.

16 (2) FOR PURPOSES OF THIS SUBSECTION, "RESERVE COMPONENT OF  
17 THE ARMED FORCES" SHALL MEAN THE UNITED STATES ARMY RESERVE,  
18 UNITED STATES NAVY RESERVE, UNITED STATES MARINE CORPS RESERVE,  
19 UNITED STATES COAST GUARD RESERVE, UNITED STATES AIR FORCE  
20 RESERVE, THE PENNSYLVANIA ARMY NATIONAL GUARD OR THE  
21 PENNSYLVANIA AIR NATIONAL GUARD.

22 (D) EACH POLITICAL SUBDIVISION levying the local services  
23 tax at a rate exceeding ten dollars (\$10) shall, and each  
24 political subdivision levying the local services tax at a rate  
25 of ten dollars (\$10) or less may, by ordinance or resolution,  
26 exempt any person from the local services tax whose total income <—  
27 EARNED INCOME AND NET PROFITS from all sources WITHIN THE <—  
28 POLITICAL SUBDIVISION is less than twelve thousand dollars  
29 (\$12,000) for the calendar year in which the local services tax  
30 is levied. ~~Each political subdivision providing for exemption~~ <—

1 ~~shall adopt regulations for the processing of refund claims for~~  
2 ~~the local services tax paid by any person who is eligible for~~  
3 ~~the exemption. The regulations shall be consistent with 53~~  
4 ~~Pa.C.S. §§ 8425 (relating to refunds of overpayments) and 8426~~  
5 ~~(relating to interest on overpayment). Refunds made within~~  
6 ~~seventy five days of a refund request or seventy five days after~~  
7 ~~the last day the employer is required to remit the local~~  
8 ~~services tax for the last quarter of the calendar year under~~  
9 ~~section 9 of this act, whichever is later, shall not be subject~~  
10 ~~to interest imposed under 53 Pa.C.S. § 8426. It is the intent of~~  
11 ~~this section that a political subdivision or its tax officer~~  
12 ~~determine eligibility for the exemption and provide refunds to~~  
13 ~~exempt persons from the local services tax and that employers~~  
14 ~~shall not be responsible for processing an exemption or~~  
15 ~~exempting any employe from the local services tax. For purposes~~  
16 ~~of exemption from the local services tax, "income from all~~  
17 ~~sources" shall be limited to "earned income" and "net profits"~~  
18 ~~as defined in Division I of section 13. The Department of~~  
19 ~~Community and Economic Development shall develop uniform forms~~  
20 ~~to be used by political subdivisions to facilitate the refund of~~  
21 ~~the local services tax to any person eligible for the exemption.~~  
22 Such local authorities shall not

23 ~~(B) (E) (1) A PERSON SEEKING TO CLAIM AN EXEMPTION FROM THE~~ <—  
24 ~~LOCAL SERVICES TAX SHALL MAY ANNUALLY FILE AN EXEMPTION~~ <—  
25 ~~CERTIFICATE WITH THE POLITICAL SUBDIVISION LEVYING THE TAX AND~~  
26 ~~WITH THE PERSON'S EMPLOYER AFFIRMING THAT THE PERSON REASONABLY~~  
27 ~~EXPECTS TO RECEIVE EARNED INCOME AND NET PROFITS FROM ALL~~  
28 ~~SOURCES WITHIN THE POLITICAL SUBDIVISION OF LESS THAN TWELVE~~  
29 ~~THOUSAND DOLLARS (\$12,000) IN THE CALENDAR YEAR FOR WHICH THE~~  
30 ~~EXEMPTION CERTIFICATE IS FILED. IN THE EVENT THE POLITICAL~~

1 SUBDIVISION UTILIZES A TAX COLLECTION OFFICER PURSUANT TO  
2 SECTION 10 OF THIS ACT, THE POLITICAL SUBDIVISION SHALL PROVIDE  
3 A COPY OF THE EXEMPTION CERTIFICATE TO THAT OFFICER. THE  
4 EXEMPTION CERTIFICATE SHALL HAVE ATTACHED TO IT A COPY OF ALL OF  
5 THE EMPLOYE'S LAST PAY STUBS OR W-2 FORMS FROM EMPLOYMENT WITHIN  
6 THE POLITICAL SUBDIVISION FOR THE YEAR PRIOR TO THE FISCAL YEAR  
7 FOR WHICH THE EMPLOYE IS REQUESTING TO BE EXEMPTED FROM THE  
8 LOCAL SERVICES TAX. UPON RECEIPT OF THE EXEMPTION CERTIFICATE  
9 AND UNTIL OTHERWISE INSTRUCTED BY THE POLITICAL SUBDIVISION  
10 LEVYING THE TAX OR EXCEPT AS REQUIRED BY CLAUSE (2), THE  
11 EMPLOYER SHALL NOT WITHHOLD THE TAX FROM THE PERSON DURING THE  
12 CALENDAR YEAR OR THE REMAINDER OF THE CALENDAR YEAR FOR WHICH  
13 THE EXEMPTION CERTIFICATE APPLIES. EMPLOYERS SHALL ENSURE THAT  
14 THE EXEMPTION CERTIFICATE FORMS ARE READILY AVAILABLE TO  
15 EMPLOYES AT ALL TIMES AND SHALL FURNISH EACH NEW EMPLOYE WITH A  
16 FORM AT THE TIME OF HIRING. THE DEPARTMENT OF COMMUNITY AND  
17 ECONOMIC DEVELOPMENT SHALL DEVELOP AND MAKE AVAILABLE TO  
18 POLITICAL SUBDIVISIONS AND EMPLOYERS UNIFORM EXEMPTION  
19 CERTIFICATES REQUIRED BY THIS CLAUSE.

20 (2) WITH RESPECT TO A PERSON WHO CLAIMED AN EXEMPTION FOR A  
21 GIVEN CALENDAR YEAR FROM THE ~~TAX LEVIED BY A POLITICAL~~ <—  
22 ~~SUBDIVISION UNDER THIS SUBSECTION~~ LOCAL SERVICES TAX, UPON <—  
23 NOTIFICATION TO AN EMPLOYER BY THE PERSON OR BY THE POLITICAL  
24 SUBDIVISION THAT THE PERSON HAS RECEIVED ~~INCOME~~ EARNED INCOME <—  
25 AND NET PROFITS FROM ALL SOURCES WITHIN THAT POLITICAL  
26 SUBDIVISION EQUAL TO OR IN EXCESS OF TWELVE THOUSAND DOLLARS  
27 (\$12,000) IN THAT CALENDAR YEAR OR THAT THE PERSON IS OTHERWISE  
28 INELIGIBLE FOR THE TAX EXEMPTION FOR THAT CALENDAR YEAR, OR UPON  
29 AN EMPLOYER'S PAYMENT TO THE PERSON OF ~~INCOME~~ EARNED INCOME <—  
30 WITHIN THAT POLITICAL SUBDIVISION IN AN AMOUNT EQUAL TO OR IN

1 EXCESS OF TWELVE THOUSAND DOLLARS (\$12,000) IN THAT CALENDAR  
2 YEAR, AN EMPLOYER SHALL WITHHOLD THE TAX LEVIED BY A POLITICAL <—  
3 SUBDIVISION UNDER THIS SECTION LOCAL SERVICES TAX FROM THE <—  
4 PERSON UNDER CLAUSE (3).

5 (3) IF A PERSON WHO CLAIMED AN EXEMPTION FOR A GIVEN  
6 CALENDAR YEAR FROM THE TAX LEVIED BY A POLITICAL SUBDIVISION <—  
7 UNDER THIS SUBSECTION LOCAL SERVICES TAX BECOMES SUBJECT TO THE <—  
8 TAX FOR THE CALENDAR YEAR UNDER CLAUSE (2), THE EMPLOYER SHALL  
9 WITHHOLD THE TAX FOR THE REMAINDER OF THAT CALENDAR YEAR. THE  
10 EMPLOYER SHALL WITHHOLD FROM THE PERSON, FOR THE FIRST PAYROLL  
11 PERIOD AFTER RECEIPT OF THE NOTIFICATION UNDER CLAUSE (2), A  
12 LUMP SUM EQUAL TO THE AMOUNT OF TAX THAT WAS NOT WITHHELD FROM  
13 THE PERSON DUE TO THE EXEMPTION CLAIMED BY THE PERSON UNDER THIS  
14 SUBSECTION, PLUS THE PER PAYROLL AMOUNT DUE FOR THAT FIRST <—  
15 PAYROLL PERIOD. THE AMOUNT OF TAX WITHHELD PER PAYROLL PERIOD  
16 FOR THE REMAINING PAYROLL PERIODS IN THAT CALENDAR YEAR SHALL BE  
17 THE SAME AMOUNT WITHHELD FOR OTHER EMPLOYEES. IN THE EVENT THE  
18 EMPLOYMENT OF A PERSON SUBJECT TO WITHHOLDING OF THE TAX UNDER  
19 THIS CLAUSE IS SUBSEQUENTLY SEVERED IN THAT CALENDAR YEAR, THE  
20 PERSON SHALL BE LIABLE FOR ANY OUTSTANDING BALANCE OF TAX DUE  
21 AND THE POLITICAL SUBDIVISION LEVYING THE TAX MAY PURSUE  
22 COLLECTION UNDER THIS ACT.

23 (4) EXCEPT AS PROVIDED IN CLAUSE (2), IT IS THE INTENT OF  
24 THIS SUBSECTION THAT EMPLOYERS SHALL NOT BE RESPONSIBLE FOR  
25 INVESTIGATING EXEMPTION CERTIFICATES, MONITORING TAX EXEMPTION  
26 ELIGIBILITY OR EXEMPTING ANY EMPLOYEE FROM A TAX IMPOSED UNDER <—  
27 THIS SECTION.

28 (5) FOR THE PURPOSES OF THIS SUBSECTION, THE TERMS "EARNED  
29 INCOME" AND "NET PROFITS" SHALL HAVE THE SAME MEANINGS AS THOSE  
30 TERMS ARE GIVEN IN DIVISION I OF SECTION 13. LOCAL SERVICES TAX. <—

1        ~~(C)~~ (F) SUCH LOCAL AUTHORITIES SHALL NOT have authority by        ←  
2 virtue of this act:

3        (1) To levy, assess and collect or provide for the levying,  
4 assessment and collection of any tax on the transfer of real  
5 property when the transfer is by will or mortgage or the  
6 intestate laws of this Commonwealth or on a transfer by the  
7 owner of previously occupied residential premises to a builder  
8 of new residential premises when such previously occupied  
9 residential premises is taken in trade by such builder as part  
10 of the consideration from the purchaser of a new previously  
11 unoccupied single family residential premises or on a transfer  
12 between corporations operating housing projects pursuant to the  
13 housing and redevelopment assistance law and the shareholders  
14 thereof, or on a transfer between nonprofit industrial  
15 development agencies and industrial corporations purchasing from  
16 them, or on transfer to or from nonprofit industrial development  
17 agencies, or on a transfer between husband and wife, or on a  
18 transfer between persons who were previously husband and wife  
19 but who have since been divorced; provided such transfer is made  
20 within three months of the date of the granting of the final  
21 decree in divorce, or the decree of equitable distribution of  
22 marital property, whichever is later, and the property or  
23 interest therein, subject to such transfer, was acquired by the  
24 husband and wife, or husband or wife, prior to the granting of  
25 the final decree in divorce, or on a transfer between parent and  
26 child or the spouse of such a child, or between parent and  
27 trustee for the benefit of a child or the spouse of such child,  
28 or on a transfer between a grandparent and grandchild or the  
29 spouse of such grandchild, or on a transfer between brother and  
30 sister or brother and brother or sister and sister or the spouse

1 of such brother or sister, or on a transfer to a conservancy  
2 which possesses a tax-exempt status pursuant to section  
3 501(c)(3) of the Internal Revenue Code, and which has as its  
4 primary purpose the preservation of land for historic,  
5 recreational, scenic, agricultural or open space opportunities,  
6 by and between a principal and straw party for the purpose of  
7 placing a mortgage or ground rent upon the premises, or on a  
8 correctional deed without consideration, or on a transfer to the  
9 United States, the Commonwealth of Pennsylvania, or to any of  
10 their instrumentalities, agencies or political subdivisions, by  
11 gift, dedication or deed in lieu of condemnation, or deed of  
12 confirmation in connection with condemnation proceedings, or  
13 reconveyance by the condemning body of the property condemned to  
14 the owner of record at the time of condemnation which  
15 reconveyance may include property line adjustments provided said  
16 reconveyance is made within one year from the date of  
17 condemnation, leases, or on a conveyance to a trustee under a  
18 recorded trust agreement for the express purpose of holding  
19 title in trust as security for a debt contracted at the time of  
20 the conveyance under which the trustee is not the lender and  
21 requiring the trustee to make reconveyance to the grantor-  
22 borrower upon the repayment of the debt, or a transfer within a  
23 family from a sole proprietor family member to a family farm  
24 corporation, or in any sheriff sale instituted by a mortgagee in  
25 which the purchaser of said sheriff sale is the mortgagee who  
26 instituted said sale, or on a privilege, transaction, subject,  
27 occupation or personal property which is now or does hereafter  
28 become subject to a State tax or license fee;

29 (2) To levy, assess or collect a tax on the gross receipts  
30 from utility service of any person or company whose rates and



1 services are fixed and regulated by the Pennsylvania Public  
2 Utility Commission or on any public utility services rendered by  
3 any such person or company or on any privilege or transaction  
4 involving the rendering of any such public utility service;

5 (3) Except on sales of admission to places of amusement, ←  
6 OTHER THAN ON SALES OF ADMISSION TO PROFESSIONAL BASEBALL EVENTS  
7 IN A CITY OF THE THIRD CLASS WITH A POPULATION OF NOT LESS THAN  
8 ONE HUNDRED SIX THOUSAND AND NOT MORE THAN ONE HUNDRED SEVEN  
9 THOUSAND BASED ON THE 2000 FEDERAL DECENNIAL CENSUS, or on sales  
10 or other transfers of title or possession of property, to levy,  
11 assess or collect a tax on the privilege of employing such  
12 tangible property as is now or does hereafter become subject to  
13 a State tax; and for the purposes of this clause, real property  
14 rented for camping purposes shall not be considered a place of  
15 amusement.

16 (4) To levy, assess and collect a tax on goods and articles  
17 manufactured in such political subdivision or on the by-products  
18 of manufacture, or on minerals, timber, natural resources and  
19 farm products produced in such political subdivision or on the  
20 preparation or processing thereof for use or market, or on any  
21 privilege, act or transaction related to the business of  
22 manufacturing, the production, preparation or processing of  
23 minerals, timber and natural resources, or farm products, by  
24 manufacturers, by producers and by farmers with respect to the  
25 goods, articles and products of their own manufacture,  
26 production or growth, or on any privilege, act or transaction  
27 relating to the business of processing by-products of  
28 manufacture, or on the transportation, loading, unloading or  
29 dumping or storage of such goods, articles, products or by-  
30 products; except that local authorities may levy, assess and

1 collect [an emergency and municipal] a local services tax and  
2 taxes on the occupation, per capita and earned income or net  
3 profits of natural persons engaged in the above activities  
4 whether doing business as individual proprietorship or as  
5 members of partnerships or other associations;

6 (5) To levy, assess or collect a tax on salaries, wages,  
7 commissions, compensation and earned income of nonresidents of  
8 the political subdivisions: Provided, That this limitation (5)  
9 shall apply only to school districts of the second, third and  
10 fourth classes;

11 (6) To levy, assess or collect a tax on personal property  
12 subject to taxation by counties or on personal property owned by  
13 persons, associations and corporations specifically exempted by  
14 law from taxation under the county personal property tax law:  
15 Provided, That this limitation (6) shall not apply to cities of  
16 the second class;

17 (7) To levy, assess or collect a tax on membership in or  
18 membership dues, fees or assessment of charitable, religious,  
19 beneficial or nonprofit organizations including but not limited  
20 to sportsmens, recreational, golf and tennis clubs, girl and boy  
21 scout troops and councils;

22 (8) To levy, assess or collect any tax on a mobilehome or  
23 house trailer subject to a real property tax unless the same tax  
24 is levied, assessed and collected on other real property in the  
25 political subdivision.

26 (9) To levy, assess or collect any tax on individuals for  
27 the privilege of engaging in an occupation [(emergency and  
28 municipal services tax)] except that such a tax, to be known as  
29 the local services tax, may be levied, assessed and collected  
30 only by the political subdivision of the taxpayer's place of

1 employment.

2 [Payment of any emergency and municipal services tax to any  
3 political subdivision by any person pursuant to an ordinance or  
4 resolution passed or adopted under the authority of this act  
5 shall be no less than ten dollars (\$10) nor more than fifty-two  
6 dollars (\$52) on each person for each calendar year.

7 The situs of such tax shall be the place of employment, but,  
8 in the event a person is engaged in more than one occupation, or  
9 an occupation which requires his working in more than one  
10 political subdivision during the calendar year, the priority of  
11 claim to collect such emergency and municipal services tax shall  
12 be in the following order: first, the political subdivision in  
13 which a person maintains his principal office or is principally  
14 employed; second, the political subdivision in which the person  
15 resides and works, if such a tax is levied by that political  
16 subdivision; third, the political subdivision in which a person  
17 is employed and which imposes the tax nearest in miles to the  
18 person's home. The place of employment shall be determined as of  
19 the day the taxpayer first becomes subject to the tax during the  
20 calendar year.

21 It is the intent of this provision that no person shall pay  
22 more than fifty-two dollars (\$52) in any calendar year as an  
23 emergency and municipal services tax irrespective of the number  
24 of political subdivisions within which such person may be  
25 employed within any given calendar year.

26 In case of dispute, a tax receipt of the taxing authority for  
27 that calendar year declaring that the taxpayer has made prior  
28 payment which constitutes prima facie certification of payment  
29 to all other political subdivisions.] The following apply:

30 (i) If a local services tax is levied at a combined rate

1 exceeding ten dollars (\$10) in a calendar year, a person subject  
2 to the local services tax shall be assessed a pro rata share of  
3 the tax for each payroll period in which the person is engaging  
4 in an occupation. The pro rata share of the tax assessed on the  
5 person for a payroll period shall be determined by dividing the  
6 combined rate of the local services tax levied for the calendar  
7 year by the number of payroll periods established by the  
8 employer for the calendar year. For purposes of determining the  
9 pro rata share, an employer shall round down the amount of the  
10 tax collected each payroll period to the nearest one-hundredth  
11 of a dollar. Collection of the local services tax levied under  
12 this subclause shall be made on a payroll period basis for each  
13 payroll period in which the person is engaging in an occupation,  
14 except as provided in subclause (v).

15 (ii) If a school district levied an emergency and municipal  
16 services tax on the effective date of this subclause, the school  
17 district may continue to levy the local services tax in the same  
18 amount the school district collected on the effective date of  
19 this subclause. However, if a municipality located in whole or  
20 in part within the school district subsequently levies the local  
21 services tax, the school district may only collect five dollars  
22 (\$5) on persons employed within the municipality each calendar  
23 year. A school district that did not levy an emergency and  
24 municipal services tax on the effective date of this subclause  
25 shall be prohibited from levying the local services tax. If a  
26 school district and a municipality located in whole or in part  
27 within the school district both levy a local services tax at a  
28 combined rate exceeding ten dollars (\$10), the school district's  
29 pro rata share of the aggregate local services taxes levied on  
30 persons employed within the municipality shall be collected by

1 the municipality or its tax officer based on payroll periods as  
2 provided under subclause (i) and shall be paid to the school  
3 district on a quarterly basis within sixty days of receipt by  
4 the municipality or its tax officer.

5 (iii) Except as provided in subclause (ii), no person shall  
6 be subject to the payment of the local services tax by more than  
7 one political subdivision during each payroll period as  
8 established by subclause (iv).

9 (iv) With respect to a person subject to the local services  
10 tax at a combined rate exceeding ten dollars (\$10), the situs of  
11 the tax shall be the place of employment on the first day the  
12 person becomes subject to the tax during each payroll period.

13 With respect to a person subject to the local services tax at a  
14 combined rate of not more than ten dollars (\$10), the situs of  
15 the tax shall be the place of employment determined as of the  
16 day the person first becomes subject to the tax during the  
17 calendar year. In the event a person is engaged in more than one  
18 occupation, that is, concurrent employment, or an occupation  
19 which requires the person working in more than one political  
20 subdivision during a payroll period, the priority of claim to  
21 collect the local services tax shall be in the following order:  
22 first, the political subdivision in which a person maintains the  
23 person's principal office or is principally employed; second,  
24 the political subdivision in which the person resides and works,  
25 if the tax is levied by that political subdivision; and third,  
26 the political subdivision in which a person is employed and  
27 which imposes the tax nearest in miles to the person's home.

28 (v) In the case of concurrent employment, an employer shall  
29 refrain from withholding the local services tax, if the employe  
30 provides a recent pay statement from a principal employer that

1 includes the name of the employer, the length of the payroll  
2 period and the amount of the local services tax withheld and a  
3 statement from the employe that the pay statement is from the  
4 employe's principal employer and the employe will notify other  
5 employers of a change in principal place of employment within  
6 two weeks of its occurrence. The Department of Community and  
7 Economic Development shall develop a uniform employe statement  
8 form.

9 (vi) The local services tax shall be no more than fifty-two  
10 dollars (\$52) on each person for each calendar year,  
11 irrespective of the number of political subdivisions within  
12 which a person may be employed. A POLITICAL SUBDIVISION SHALL ←  
13 PROVIDE A TAXPAYER A RECEIPT OF PAYMENT UPON REQUEST BY THE  
14 TAXPAYER.

15 (vii) Political subdivisions shall adopt regulations for the  
16 processing of refund claims for overpaid local services taxes  
17 for any calendar year. The regulations shall be consistent with  
18 53 Pa.C.S. §§ 8425 and 8426. Refunds made within seventy-five  
19 days of a refund request or seventy-five days after the last day  
20 the employer is required to remit the local services tax for the  
21 last quarter of the calendar year under section 9 of this act,  
22 whichever is later, shall not be subject to interest imposed  
23 under 53 Pa.C.S. § 8426. Political subdivisions shall only  
24 provide refunds for amounts overpaid in a calendar year that  
25 exceed one dollar (\$1).

26 (viii) The Department of Community and Economic Development  
27 may SHALL provide suggested forms and technical assistance to ←  
28 facilitate the administration of the local services tax for  
29 political subdivisions and reduce the burden of implementation,  
30 accounting and compliance for employers and taxpayers.

1        (ix) For purposes of this clause, "combined rate" shall mean  
2 the aggregate annual rate of the local services tax levied by a  
3 school district and a municipality located in whole or in part  
4 within the school district.

5        (10) To levy, assess or collect a tax on admissions to  
6 motion picture theatres: Provided, That this limitation (10)  
7 shall not apply to cities of the second class.

8        (11) To levy, assess or collect a tax on the construction of  
9 or improvement to residential dwellings or upon the application  
10 for or issuance of permits for the construction of or  
11 improvements to residential dwellings.

12        (12) To levy, assess and collect a mercantile or business  
13 privilege tax on gross receipts or part thereof which are: (i)  
14 discounts allowed to purchasers as cash discounts for prompt  
15 payment of their bills; (ii) charges advanced by a seller for  
16 freight, delivery or other transportation for the purchaser in  
17 accordance with the terms of a contract of sale; (iii) received  
18 upon the sale of an article of personal property which was  
19 acquired by the seller as a trade-in to the extent that the  
20 gross receipts in the sale of the article taken in trade does  
21 not exceed the amount of trade-in allowance made in acquiring  
22 such article; (iv) refunds, credits or allowances given to a  
23 purchaser on account of defects in goods sold or merchandise  
24 returned; (v) Pennsylvania sales tax; (vi) based on the value of  
25 exchanges or transfers between one seller and another seller who  
26 transfers property with the understanding that property of an  
27 identical description will be returned at a subsequent date;  
28 however, when sellers engaged in similar lines of business  
29 exchange property and one of them makes payment to the other in  
30 addition to the property exchanged, the additional payment

1 received may be included in the gross receipts of the seller  
2 receiving such additional cash payments; (vii) of sellers from  
3 sales to other sellers in the same line where the seller  
4 transfers the title or possession at the same price for which  
5 the seller acquired the merchandise; or (viii) transfers between  
6 one department, branch or division of a corporation or other  
7 business entity of goods, wares and merchandise to another  
8 department, branch or division of the same corporation or  
9 business entity and which are recorded on the books to reflect  
10 such interdepartmental transactions.

11 (13) To levy, assess or collect an amusement or admissions  
12 tax on membership, membership dues, fees or assessments,  
13 donations, contributions or monetary charges of any character  
14 whatsoever paid by the general public, or a limited or selected  
15 number thereof, for such persons to enter into any place,  
16 indoors or outdoors, to engage in any activities, the  
17 predominant purpose or nature of which is exercise, fitness,  
18 health maintenance, improvement or rehabilitation, health or  
19 nutrition education, or weight control.

20 (14) Except by cities of the second class, to levy, assess  
21 or collect a tax on payroll amounts generated as a result of  
22 business activity.

23 (15) Except by cities of the second class in which a sports  
24 stadium or arena that has received public funds in connection  
25 with its construction or maintenance is located, to levy, assess  
26 and collect a publicly funded facility usage fee upon those  
27 nonresident individuals who use such facility to engage in an  
28 athletic event or otherwise render a performance for which they  
29 receive remuneration.

30 (16) To levy, assess or collect an amusement or admissions



1 tax on the charge imposed upon a patron for the sale of  
2 admission to or for the privilege of admission to a bowling  
3 alley or bowling lane to engage in one or more games of bowling.

4 (G) FOR THE PURPOSES OF THIS SECTION, THE TERMS "EARNED  
5 INCOME" AND "NET PROFITS" SHALL HAVE THE SAME MEANINGS AS THOSE  
6 TERMS ARE GIVEN IN DIVISION I OF SECTION 13.

←

7 Section 2. Section 7 of the act, amended August 11, 1967  
8 (P.L.228, No.83) and October 9, 1967 (P.L.361, No.160), is  
9 amended to read:

10 Section 7. Filing of Certified Copies of Ordinances and  
11 Resolutions.--When an ordinance or a resolution is first passed  
12 or adopted by a political subdivision imposing a tax or license  
13 fee under the authority of this act, an exact printed or  
14 typewritten copy thereof, certified to by the secretary of the  
15 taxing body, shall be filed with the [Department of Community  
16 Affairs] Department of Community and Economic Development within  
17 fifteen days after the same becomes effective.

18 Any secretary or person acting as the clerk or secretary of  
19 the taxing body of any political subdivision during the meeting  
20 at which an ordinance or resolution imposing a tax or license  
21 fee is passed or adopted as herein provided who shall fail to  
22 file the certified copy or statement relative thereto with the  
23 [Department of Community Affairs] Department of Community and  
24 Economic Development as herein required, shall, upon summary  
25 conviction thereof in the county in which the political  
26 subdivision is located, be sentenced to pay a fine of not less  
27 than five dollars (\$5) nor more than twenty-five dollars (\$25),  
28 and the costs of prosecution.

29 Section 3. Section 8 of the act, amended December 1, 2004  
30 (P.L.1729, No.222), is amended to read:

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

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

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

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

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

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

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

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

30 (8) [Emergency and municipal] Local services taxes, fifty-

1 two dollars (\$52).

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

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

10 (12) On payrolls, fifty-five hundredths percent.

11 Except as otherwise provided in this act, at any time two  
12 political subdivisions shall impose any one of the above taxes  
13 on the same person, subject, business, transaction or privilege,  
14 located within both such political subdivisions, during the same  
15 year or part of the same year, under the authority of this act  
16 then the tax levied by a political subdivision under the  
17 authority of this act shall, during the time such duplication of  
18 the tax exists, except as hereinafter otherwise provided, be  
19 one-half of the rate, as above limited, and such one-half rate  
20 shall become effective by virtue of the requirements of this act  
21 from the day such duplication becomes effective without any  
22 action on the part of the political subdivision imposing the tax  
23 under the authority of this act. When any one of the above taxes  
24 has been levied under the provisions of this act by one  
25 political subdivision and a subsequent levy is made either for  
26 the first time or is revived after a lapse of time by another  
27 political subdivision on the same person, subject, business,  
28 transaction or privilege at a rate that would make the combined  
29 levies exceed the limit allowed by this subdivision, the tax of  
30 the second political subdivision shall not become effective

1 until the end of the fiscal year for which the prior tax was  
2 levied, unless:

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

12 (2) Unless the first taxing body shall indicate by  
13 appropriate resolution its desire to waive notice requirements  
14 in which case the levy of the second taxing body shall become  
15 effective on such date as may be agreed upon by the two taxing  
16 bodies.

17 It is the intent and purpose of this provision to limit rates  
18 of taxes referred to in this section so that the entire burden  
19 of one tax on a person, subject, business, transaction or  
20 privilege shall not exceed the limitations prescribed in this  
21 section: Provided, however, That any two political subdivisions  
22 which impose any one of the above taxes, on the same person,  
23 subject, business, transaction or privilege during the same year  
24 or part of the same year may agree among themselves that,  
25 instead of limiting their respective rates to one-half of the  
26 maximum rate herein provided, they will impose respectively  
27 different rates, the total of which shall not exceed the maximum  
28 rate as above permitted.

29 Notwithstanding the provisions of this section, any city of  
30 the second class A may enact a tax upon wages, salaries,

1 commissions and other earned income of individuals resident  
2 therein, not exceeding one percent, even though a school  
3 district levies a similar tax on the same person provided that  
4 the aggregate of both taxes does not exceed two percent. [In the  
5 case of duplication of emergency and municipal services taxes by  
6 both a school district, other than a school district of the  
7 first class A, and another taxing body, the school district's  
8 share of the tax shall not exceed the amount of a tax on the  
9 privilege of engaging in an occupation collected by the school  
10 district as of the effective date of this paragraph. In the case  
11 where a school district did not levy a tax on the privilege of  
12 engaging in an occupation on the effective date of this  
13 paragraph, the school district may impose a future levy not to  
14 exceed five dollars (\$5). A school district of the first class A  
15 shall not levy, assess or collect an emergency and municipal  
16 services tax.]

17 Section 4. Section 9 of the act, amended December 12, 1968  
18 (P.L.1203, No.377), is amended to read:

19 Section 9. Register for Earned Income and [Occupational  
20 Privilege] Local Services Taxes.--It shall be the duty of the  
21 [Department of Community Affairs] Department of Community and  
22 Economic Development to have available an official continuing  
23 register supplemented annually of all earned income and  
24 [occupational privilege] local services taxes levied under  
25 authority of this act. The register and its supplements,  
26 hereinafter referred to as the register, shall list such  
27 jurisdictions levying earned income [and/or occupational  
28 privilege] and local services taxes, the rate of the tax as  
29 stated in the tax levying ordinance or resolution, and the  
30 effective rate on resident and nonresident taxpayers, if

1 different from the stated rate because of a coterminous levy,  
2 the name and address of the officer responsible for  
3 administering the collection of the tax and from whom  
4 information, forms for reporting and copies of rules and  
5 regulations are available. With each jurisdiction listed, all  
6 jurisdictions making coterminous levies shall also be noted and  
7 their tax rates shown.

8 Information for the register shall be furnished by the  
9 secretary of each taxing body to the [Department of Community  
10 Affairs] Department of Community and Economic Development in  
11 such manner and on such forms as the [Department of Community  
12 Affairs] Department of Community and Economic Development may  
13 prescribe. The information must be received by the [Department  
14 of Community Affairs] Department of Community and Economic  
15 Development by certified mail not later than May 31 of each year  
16 to show new tax enactments, repeals and changes. Failure to  
17 comply with this date for filing may result in the omission of  
18 the levy from the register for that year. Failure of the  
19 [Department of Community Affairs] Department of Community and  
20 Economic Development to receive information of taxes continued  
21 without change may be construed by the department to mean that  
22 the information contained in the previous register remains in  
23 force.

24 The [Department of Community Affairs] Department of Community  
25 and Economic Development shall have the register with such  
26 annual supplements as may be required by new tax enactments,  
27 repeals or changes available upon request not later than July 1  
28 of each year. The effective period for each register shall be  
29 from July 1 of the year in which it is issued to June 30 of the  
30 following year.

1 Employers shall not be required by any local ordinance to  
2 withhold from the wages, salaries, commissions or other  
3 compensation of their employes any tax imposed under the  
4 provisions of this act, which is not listed in the register, or  
5 make reports of wages, salaries, commissions or other  
6 compensation in connection with taxes not so listed: Provided,  
7 That if the register is not available by July 1, the register of  
8 the previous year shall continue temporarily in effect for an  
9 additional period not to exceed one year. The provisions of this  
10 section shall not affect the liability of any taxpayer for taxes  
11 lawfully imposed under this act.

12 Ordinances or resolutions imposing earned income or  
13 [occupational privilege] local services taxes under authority of  
14 this act may contain provisions requiring employers doing  
15 business within the jurisdiction of the political subdivision  
16 imposing the tax to withhold the tax from the compensation of  
17 those of their employes who are subject to the tax: Provided,  
18 That no employer shall be held liable for failure to withhold  
19 earned income taxes or for the payment of such withheld tax  
20 money to a political subdivision other than the political  
21 subdivision entitled to receive such money if such failure to  
22 withhold or such incorrect transmittal of withheld taxes arises  
23 from incorrect information as to the employe's place of  
24 residence submitted by the employe: And provided further, That  
25 [employers shall not be required by any local ordinance to  
26 withhold from compensation for any one of their employes for the  
27 occupational privilege tax more than one time in any fiscal  
28 period:] no employer shall be held liable for failure to  
29 withhold the local services tax or for the payment of the  
30 withheld tax money to a political subdivision if the failure to

1 withhold taxes arises from incorrect information submitted by  
2 the employe as to the employe's place or places of employment,  
3 the employe's principal office or where the employe is  
4 principally employed: And provided further, That an employer  
5 shall not be liable for payment of the local services tax in an  
6 amount exceeding the amount withheld by the employer if the  
7 employer complies with the provisions of section 2(9) of this <—  
8 act 2(E) AND (F)(9) and remits the amount so withheld in <—  
9 accordance with this section: And provided further, That the  
10 [occupational privilege] local services tax shall be applicable  
11 to employment in the period beginning January 1, of the current  
12 year and ending December 31 of the current year, except that  
13 taxes imposed for the first time shall become effective from  
14 [the date] January 1 of the year specified in the ordinance or  
15 resolution, and the tax shall continue in force on a calendar  
16 year basis[.]: And provided further, That employers shall be  
17 required to remit the local services taxes within thirty days <—  
18 after the end of each quarter of a calendar year.

19 Section 5. Section 19 of the act, amended October 4, 1978  
20 (P.L.930, No.177), is amended to read:

21 Section 19. Collection of Delinquent Per Capita, Occupation,  
22 Occupational Privilege, Emergency and Municipal Services, Local  
23 Services and Earned Income Taxes from Employers, etc.--The tax  
24 collector shall demand, receive and collect from all  
25 corporations, political subdivisions, associations, companies,  
26 firms or individuals, employing persons owing delinquent per  
27 capita, or occupation, occupational privilege, emergency and  
28 municipal services, local services and earned income taxes, or  
29 whose spouse owes delinquent per capita, occupation,  
30 occupational privilege, emergency and municipal services, local



1 services and earned income taxes, or having in possession unpaid  
2 commissions or earnings belonging to any person or persons owing  
3 delinquent per capita, occupation, occupational privilege,  
4 emergency and municipal services, local services and earned  
5 income taxes, or whose spouse owes delinquent per capita,  
6 occupation, occupational privilege, emergency and municipal  
7 services, local services and earned income taxes, upon the  
8 presentation of a written notice and demand certifying that the  
9 information contained therein is true and correct and containing  
10 the name of the taxable or the spouse thereof and the amount of  
11 tax due. Upon the presentation of such written notice and  
12 demand, it shall be the duty of any such corporation, political  
13 subdivision, association, company, firm or individual to deduct  
14 from the wages, commissions or earnings of such individual  
15 employes, then owing or that shall within sixty days thereafter  
16 become due, or from any unpaid commissions or earnings of any  
17 such taxable in its or his possession, or that shall within  
18 sixty days thereafter come into its or his possession, a sum  
19 sufficient to pay the respective amount of the delinquent per  
20 capita, occupation, occupational privilege, emergency and  
21 municipal services, local services and earned income taxes and  
22 costs, shown upon the written notice or demand, and to pay the  
23 same to the tax collector of the taxing district in which such  
24 delinquent tax was levied within sixty days after such notice  
25 shall have been given. No more than ten percent of the wages,  
26 commissions or earnings of the delinquent taxpayer or spouse  
27 thereof may be deducted at any one time for delinquent per  
28 capita, occupation, occupational privilege, emergency and  
29 municipal services, local services and earned income taxes and  
30 costs. Such corporation, political subdivision, association,

1 firm or individual shall be entitled to deduct from the moneys  
2 collected from each employe the costs incurred from the extra  
3 bookkeeping necessary to record such transactions, not exceeding  
4 two percent of the amount of money so collected and paid over to  
5 the tax collector. Upon the failure of any such corporation,  
6 political subdivision, association, company, firm or individual  
7 to deduct the amount of such taxes or to pay the same over to  
8 the tax collector, less the cost of bookkeeping involved in such  
9 transaction, as herein provided, within the time hereby  
10 required, such corporation, political subdivision, association,  
11 company, firm or individual shall forfeit and pay the amount of  
12 such tax for each such taxable whose taxes are not withheld and  
13 paid over, or that are withheld and not paid over together with  
14 a penalty of ten percent added thereto, to be recovered by an  
15 action of assumpsit in a suit to be instituted by the tax  
16 collector, or by the proper authorities of the taxing district,  
17 as debts of like amount are now by law recoverable, except that  
18 such person shall not have the benefit of any stay of execution  
19 or exemption law. The tax collector shall not proceed against a  
20 spouse or his employer until he has pursued collection remedies  
21 against the delinquent taxpayer and his employer under this  
22 section.

23 Section 6. Section 20 of the act is amended to read:

24 Section 20. Collection of Delinquent Per Capita, Occupation,  
25 Occupational Privilege, Emergency and Municipal Services, Local  
26 Services and Earned Income Taxes from the Commonwealth.--Upon  
27 presentation of a written notice and demand under oath or  
28 affirmation, to the State Treasurer or any other fiscal officer  
29 of the State, or its boards, authorities, agencies or  
30 commissions, it shall be the duty of the treasurer or officer to

1 deduct from the wages then owing, or that shall within sixty  
2 days thereafter become due to any employe, a sum sufficient to  
3 pay the respective amount of the delinquent per capita,  
4 occupation, occupational privilege, emergency and municipal  
5 services, local services and earned income taxes and costs shown  
6 on the written notice. The same shall be paid to the tax  
7 collector of the taxing district in which said delinquent tax  
8 was levied within sixty days after such notice shall have been  
9 given.

10 Section 7. Section 22.1 of the act, added November 30, 2004  
11 (P.L.1520, No.192), is amended to read:

12 Section 22.1. Costs of Collection of Delinquent Per Capita,  
13 Occupation, Occupational Privilege, Emergency and Municipal  
14 Services, Local Services and Earned Income Taxes.--(a) A person,  
15 public employe or private agency designated by a governing body  
16 of a political subdivision to collect and administer a per  
17 capita, occupation, occupational privilege, emergency and  
18 municipal services, local services or earned income tax may  
19 impose and collect the reasonable costs incurred to provide  
20 notices of delinquency or to implement similar procedures  
21 utilized to collect delinquent taxes from a taxpayer as approved  
22 by the governing body of the political subdivision. Reasonable  
23 costs collected may be retained by the person, public employe or  
24 private agency designated to collect the tax as agreed to by the  
25 governing body of the political subdivision. An itemized  
26 accounting of all costs collected shall be remitted to the  
27 political subdivision on an annual basis.

28 (b) Costs related to the collection of unpaid per capita,  
29 occupation [or], occupational privilege, emergency and municipal  
30 services or local services taxes may only be assessed, levied

1 and collected for five years from the last day of the calendar  
2 year in which the tax was due.

3 (c) A delinquent taxpayer may not bring an action for  
4 reimbursement, refund or elimination of reasonable costs of  
5 collection assessed or imposed prior to the effective date of  
6 this section. Additional costs may not be assessed on delinquent  
7 taxes collected prior to the effective date of this section.

8 Section 8. Sections 22.4 and 22.5 of the act, added December  
9 1, 2004 (P.L.1729, No.222), are repealed:

10 [Section 22.4. Emergency and Municipal Services Taxes.--Any  
11 reference in any act or law to an occupational privilege tax  
12 shall mean the emergency and municipal services taxes as  
13 provided for in this act.

14 Section 22.5. Restricted Use.--(a) Any municipality  
15 deriving funds from the emergency and municipal services tax may  
16 only use the funds for:

- 17 (1) police, fire and/or emergency services;
- 18 (2) road construction and/or maintenance; or
- 19 (3) reduction of property taxes.

20 (b) For the purpose of the emergency and municipal services  
21 tax, the term municipality does not include a school district.]

22 Section 9. The act is amended by adding a section to read:

23 Section 22.6. Restricted Use.--(a) Any municipality  
24 deriving funds from the local services tax may only use the  
25 funds for:

- 26 (1) Emergency services, which shall include emergency  
27 medical services, police services and/or fire services.
- 28 (2) Road construction and/or maintenance.
- 29 (3) Reduction of property taxes.
- 30 (4) Property tax relief through implementation of a

1 homestead and farmstead exclusion in accordance with 53 Pa.C.S.  
2 Ch. 85 Subch. F (relating to homestead property exclusion).

3 (A.1) A MUNICIPALITY SHALL USE NO LESS THAN TWENTY-FIVE ←  
4 PERCENT OF THE FUNDS DERIVED FROM THE LOCAL SERVICES TAX FOR  
5 EMERGENCY SERVICES.

6 (b) In the event that a municipality decides to implement a  
7 homestead and farmstead exclusion for purposes of providing  
8 property tax relief in accordance with subsection (a)(4), the  
9 following shall apply:

10 (1) The decision to provide a homestead and farmstead  
11 exclusion shall be made, by ordinance, prior to December 1, with  
12 the homestead and farmstead exclusion to take effect for the  
13 fiscal year beginning the first day of January following  
14 adoption of the ordinance. Upon adopting an ordinance in  
15 accordance with this paragraph, a municipality shall, by first  
16 class mail, notify the assessor, as defined in 53 Pa.C.S. § 8582  
17 (relating to definitions), of its decision to provide a  
18 homestead and farmstead exclusion.

19 (2) The assessor shall provide a municipality that will be  
20 imposing a homestead and farmstead exclusion in accordance with  
21 subsection (a)(4) with a certified report, as provided in 53  
22 Pa.C.S. § 8584(i) (relating to administration and procedure),  
23 listing information regarding homestead and farmstead properties  
24 in the municipality as determined pursuant to applications filed  
25 with the assessor in connection with this or any other law under  
26 which a homestead or farmstead exclusion has been adopted. In  
27 the year in which an ordinance is adopted in accordance with  
28 paragraph (1), the assessor shall provide the certified report  
29 after being notified by the municipality of its decision to  
30 provide a homestead and farmstead exclusion. In each succeeding

1 year, the assessor shall provide the certified report by  
2 December 1 or at the same time the tax duplicate is certified to  
3 the municipality, whichever occurs first. Any duty placed on an  
4 assessor in accordance with this paragraph shall be in addition  
5 to those established in 53 Pa.C.S. Ch. 85 Subch. F and the act  
6 of June 27, 2006 (1st Sp.Sess. P.L.1873, No.1), known as the  
7 "Taxpayer Relief Act."

8 (3) Only homestead or farmstead properties identified in the  
9 certified report of the assessor obtained in any year shall be  
10 eligible to receive the exclusion for the next fiscal year.

11 (4) In the year in which a municipality adopts the ordinance  
12 evidencing its decision to implement a homestead and farmstead  
13 exclusion, the municipality shall notify by first class mail the  
14 owner of each parcel of residential property within the  
15 municipality which is not approved as a homestead or farmstead  
16 property or for which the approval is due to expire of the  
17 following:

18 (i) That the homestead and farmstead exclusion program is to  
19 be implemented to provide property tax relief as authorized by  
20 subsection (a)(4), beginning in the next fiscal year.

21 (ii) That only properties currently identified in the  
22 certified report of the assessor as having been approved in  
23 whole or in part as homestead or farmstead properties shall be  
24 entitled to an exclusion in the next fiscal year.

25 (iii) That owners of properties that have not been approved  
26 by the assessor as homestead or farmstead properties may file an  
27 application in accordance with 53 Pa.C.S. § 8584(a) by the  
28 annual application deadline of March 1 in order to qualify for  
29 the program in the year following the next fiscal year.

30 (5) The one-time notice required by paragraph (4) may be

1 combined and made together with the annual notice required by  
2 paragraph (7) or with an annual notice by a coterminous  
3 political subdivision that has implemented a homestead and  
4 farmstead exclusion.

5 (6) In the year in which the initial decision to provide a  
6 homestead and farmstead exclusion is made and in each succeeding  
7 year, a municipality shall, by resolution, fix the dollar amount  
8 that is to be excluded from the assessed value of each homestead  
9 and farmstead property for the next fiscal year, consistent with  
10 53 Pa.C.S. §§ 8583 (relating to exclusion for homestead  
11 property) and 8586 (relating to limitations). This determination  
12 of the amount of the homestead and farmstead exclusion shall be  
13 made, after receipt of the tax duplicate and the certified  
14 report from the assessor, at the time the governing body of a  
15 municipality determines the municipal budget and estimates  
16 revenues to be derived from the local services tax for the next  
17 fiscal year.

18 (7) Each year after the year in which the municipality  
19 implements a homestead and farmstead exclusion and no later than  
20 sixty ONE HUNDRED TWENTY days prior to the application deadline, <—  
21 the municipality shall give notice of the existence of the  
22 municipality's homestead and farmstead exclusion program; the <—  
23 need to file an application in accordance with 53 Pa.C.S. §  
24 8584(a) in order to qualify for the program; and the application <—  
25 deadline, which, in accordance with NOTWITHSTANDING 53 Pa.C.S. § <—  
26 8584(b), shall be ~~March 1~~ DECEMBER 15. This annual notice, which <—  
27 shall be given by first class mail, need only be sent to the  
28 owner of each parcel of residential property in the municipality  
29 which is not approved as homestead or farmstead property or for  
30 which the approval is due to expire.

1       (c) For purposes of this section, the term "municipality"  
2 does not include a school district.

3       Section 10. Any ordinance or resolution providing for the  
4 levying, assessment or collection of a tax on individuals for  
5 the privilege of engaging in an occupation which has been  
6 enacted by a political subdivision prior to December 1, 2004,  
7 shall continue in full force and effect, without reenactment, as  
8 if such tax had been levied, assessed or collected as a local  
9 services tax under section ~~2(9)~~ 2(F)(9) of the act. All       ←  
10 references in any ordinance or resolution to a tax on the  
11 privilege of engaging in an occupation shall be deemed to be a  
12 reference to a local services tax for the purposes of the act.

13       Section 11. All emergency and municipal services taxes  
14 levied for the calendar year beginning on January 1, 2007, shall  
15 remain in effect for the calendar year beginning on January 1,  
16 2007, and ending December 31, 2007, and are not otherwise  
17 altered.

18       Section 12. The following shall apply:

19           (1) Except as provided in paragraph (2), the amendment  
20 or addition of the following provisions shall apply to taxes  
21 levied for calendar year 2008 and each year thereafter:

22                   (i) The amendment of section 2 of the act.

23                   (ii) The amendment of section 8 of the act.

24                   (iii) The amendment of section 9 of the act, except  
25 for any editorial amendment changing the reference from  
26 the Department of Community Affairs to the Department of  
27 Community and Economic Development.

28                   (iv) The amendment of section 19 of the act.

29                   (v) The amendment of section 20 of the act.

30                   (vi) The amendment of section 22.1 of the act.



1 (vii) The amendment of section 22.4 of the act.

2 (viii) The amendment of section 22.5 of the act.

3 (ix) The addition of section 22.6 of the act.

4 ~~(2) The amendment of the introductory paragraph of~~ <—  
5 ~~section 2 of the act shall not apply, until January 1, 2009,~~

6 (2) AS MUCH OF THE REDESIGNATION AS SUBSECTION (D) OF <—  
7 THE INTRODUCTORY PARAGRAPH OF SECTION 2 OF THE ACT, INCLUDING  
8 THE AMENDMENT OF THAT PROVISION, SHALL NOT APPLY UNTIL  
9 JANUARY 1, 2009, to a municipality which reduced its real  
10 estate property tax by at least 25% upon adoption of an  
11 ordinance pursuant to the act of December 1, 2004 (P.L.1729,  
12 No.222), entitled "An act amending the act of December 31,  
13 1965 (P.L.1257, No.511), entitled 'An act empowering cities  
14 of the second class, cities of the second class A, cities of  
15 the third class, boroughs, towns, townships of the first  
16 class, townships of the second class, school districts of the  
17 second class, school districts of the third class and school  
18 districts of the fourth class including independent school  
19 districts, to levy, assess, collect or to provide for the  
20 levying, assessment and collection of certain taxes subject  
21 to maximum limitations for general revenue purposes;  
22 authorizing the establishment of bureaus and the appointment  
23 and compensation of officers, agencies and employes to assess  
24 and collect such taxes; providing for joint collection of  
25 certain taxes, prescribing certain definitions and other  
26 provisions for taxes levied and assessed upon earned income,  
27 providing for annual audits and for collection of delinquent  
28 taxes, and permitting and requiring penalties to be imposed  
29 and enforced, including penalties for disclosure of  
30 confidential information, providing an appeal from the

1 ordinance or resolution levying such taxes to the court of  
2 quarter sessions and to the Supreme Court and Superior  
3 Court,' further providing for delegation of taxing powers and  
4 restrictions thereon; providing for nonresident sports  
5 facility usage fee, for parking tax rates and for payroll  
6 taxes; further providing for limitations on rates of specific  
7 taxes and for the appointment of a single collector of taxes;  
8 further providing for the applicability of petitions under  
9 the act of July 10, 1987 (P.L.246, No.47), known as the  
10 Municipalities Financial Recovery Act; and making a repeal."

11 Section 13. Repeals are as follows:

12 (1) The General Assembly declares that the repeal under  
13 paragraph (2) is necessary to effectuate the amendment of  
14 section 2(9) of the act.

15 (2) Section 6 of the act of December 1, 2004 (P.L.1729,  
16 No.222), entitled "An act amending the act of December 31,  
17 1965 (P.L.1257, No.511), entitled 'An act empowering cities  
18 of the second class, cities of the second class A, cities of  
19 the third class, boroughs, towns, townships of the first  
20 class, townships of the second class, school districts of the  
21 second class, school districts of the third class and school  
22 districts of the fourth class including independent school  
23 districts, to levy, assess, collect or to provide for the  
24 levying, assessment and collection of certain taxes subject  
25 to maximum limitations for general revenue purposes;  
26 authorizing the establishment of bureaus and the appointment  
27 and compensation of officers, agencies and employes to assess  
28 and collect such taxes; providing for joint collection of  
29 certain taxes, prescribing certain definitions and other  
30 provisions for taxes levied and assessed upon earned income,

1 providing for annual audits and for collection of delinquent  
2 taxes, and permitting and requiring penalties to be imposed  
3 and enforced, including penalties for disclosure of  
4 confidential information, providing an appeal from the  
5 ordinance or resolution levying such taxes to the court of  
6 quarter sessions and to the Supreme Court and Superior  
7 Court,' further providing for delegation of taxing powers and  
8 restrictions thereon; providing for nonresident sports  
9 facility usage fee, for parking tax rates and for payroll  
10 taxes; further providing for limitations on rates of specific  
11 taxes and for the appointment of a single collector of taxes;  
12 further providing for the applicability of petitions under  
13 the act of July 10, 1987 (P.L.246, No.47), known as the  
14 Municipalities Financial Recovery Act; and making a repeal,"  
15 is repealed.  
16 Section 14. This act shall take effect immediately.