

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 961 Session of
2007

INTRODUCED BY EICHELBERGER, JUNE 11, 2007

REFERRED TO FINANCE, JUNE 11, 2007

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 earned income tax.

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

25 Section 1. Section 13 II of the act of December 31, 1965
 26 (P.L.1257, No.511), known as The Local Tax Enabling Act, is
 27 amended to read:

1 Section 13. Earned Income Taxes.--On and after the effective
2 date of this act the remaining provisions of this section shall
3 be included in or construed to be a part of each tax levied and
4 assessed upon earned income by any political subdivision levying
5 and assessing such tax pursuant to this act. The definitions
6 contained in this section shall be exclusive for any tax upon
7 earned income and net profits levied and assessed pursuant to
8 this act, and shall not be altered or changed by any political
9 subdivision levying and assessing such tax.

10 * * *

11 II. Imposition of Tax

12 The tax levied under this act shall be applicable to earned
13 income received and to net profits earned in the period
14 beginning January 1, of the current year, and ending December
15 31, of the current year or for taxpayer fiscal years beginning
16 in the current year, except that taxes imposed for the first
17 time shall become effective from the date specified in the
18 ordinance or resolution, and the tax shall continue in force on
19 a calendar year or taxpayer fiscal year basis, without annual
20 reenactment, unless the rate of the tax is subsequently changed.
21 Changes in rate shall become effective on the date specified in
22 the ordinance. Notwithstanding any provision to the contrary, a
23 city of the third class may petition the court of common pleas
24 of the county in which it is located to increase its rates of
25 taxation of earned income up to an additional five-tenths
26 percent beyond the maximum rates provided by law, provided that
27 the proceeds are used solely to reduce any tax imposed on earned
28 income under section 607 of the act of December 18, 1984
29 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding
30 Standard and Recovery Act." This provision may be applied

1 retroactively to offset taxes assessed and collected under the
2 "Municipal Pension Plan Funding Standard and Recovery Act" from
3 and after January 1, 2003.

4 * * *

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