

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2294 Session of 2012

INTRODUCED BY SONNEY, CREIGHTON, FARRY, FLECK, GABLER, GINGRICH,  
GRELL, GROVE, HESS, HORNAMAN, MILLER, SAYLOR AND VULAKOVICH,  
APRIL 2, 2012

REFERRED TO COMMITTEE ON FINANCE, APRIL 2, 2012

AN ACT

1 Amending the act of December 18, 1984 (P.L.1005, No.205),  
2 entitled, as amended, "An act mandating actuarial funding  
3 standards for all municipal pension systems; establishing a  
4 recovery program for municipal pension systems determined to  
5 be financially distressed; providing for the distribution of  
6 the tax on the premiums of foreign fire insurance companies;  
7 and making repeals," in financially distressed municipal  
8 pension system recovery program, further providing for  
9 remedies applicable to various recovery program levels.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 Section 1. Section 607(f)(1) of the act of December 18, 1984  
13 (P.L.1005, No.205), known as the Municipal Pension Plan Funding  
14 Standard and Recovery Act, amended September 18, 2009 (P.L.396,  
15 No.44), is amended to read:

16 Section 607. Remedies applicable to various recovery program  
17 levels.

18 \* \* \*

19 (f) Special municipal taxing authority.--

20 (1) If the tax rates set by the municipality on earned  
21 income or on real property are at the maximum provided by

1 applicable law, the municipality may increase its tax on  
2 either the earned income of residents or real property above  
3 those maximum rates. The proceeds of this special municipal  
4 tax increase shall be used solely to defray the additional  
5 costs required to be paid pursuant to this act which are  
6 directly related to the pension plans of the municipality.  
7 The municipality utilizing this special municipal taxing  
8 authority shall not reduce the level of municipal  
9 contributions to the pension plans prior to the  
10 implementation of the special municipal taxing authority.

11 \* \* \*

12 Section 2. This act shall apply to municipalities that  
13 impose tax on the earned income of nonresidents prior to the  
14 effective date of this section.

15 Section 3. This act shall take effect January 1 of the year  
16 that commences at least 30 days after the date of enactment.