

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 245 Session of 2015

INTRODUCED BY DUNBAR, BARRAR, COHEN, EVANKOVICH, GODSHALL, A. HARRIS, LAWRENCE, MILLARD, MURT, PICKETT, SACCONI, GABLER, REESE, MACKENZIE AND MICCARELLI, JANUARY 28, 2015

AS AMENDED ON SECOND CONSIDERATION, IN SENATE, OCTOBER 24, 2016

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 employees 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," in
22 local taxes, further providing for definitions, for payroll
23 tax, for payment of tax to other political subdivisions or
24 states as credit or deduction and withholding tax and, for
25 tax limitations AND FOR LIMITATIONS ON ASSESSMENT; IN
26 OPTIONAL OCCUPATIONAL TAX ELIMINATION, FURTHER PROVIDING FOR
27 INCOME TAX RATE LIMITS; in consolidated collection of local
28 income taxes, further providing for definitions, for
29 declaration and payment of income taxes, for tax collection
30 committees, for powers and duties of Department of Community
31 and Economic Development, for powers and duties of tax
32 officer and for withholding and remittance; and, in

<--
<--

1 collection of delinquent taxes, further providing for
2 penalties and for costs of collection of delinquent per
3 capita, occupation, occupational privilege, emergency and
4 municipal services, local services and income taxes.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Section 301(a) of the act of December 31, 1965
8 (P.L.1257, No.511), known as The Local Tax Enabling Act, is
9 amended by adding definitions to read:

10 Section 301. Definitions.--(a) The following words and
11 phrases when used in this chapter shall have the meanings given
12 to them in this section unless the context clearly indicates
13 otherwise:

14 "Contingent fee audit" means an audit of a taxpayer's books
15 and records for which the collection fee is based on a
16 percentage of tax assessed or collected, or both.

17 * * *

18 "Private collection agency" means a business entity or person
19 appointed to audit taxpayers and collect delinquent taxes.

20 * * *

21 Section 2. Sections 303(g) and 317 of the act, amended July
22 2, 2008 (P.L.197, No.32), are amended to read:

23 Section 303. Payroll Tax.--* * *

24 (g) A city of the second class may bring suit for the
25 recovery of taxes due and unpaid under this section. Any suit
26 brought to recover the tax imposed by this section shall be
27 commenced within three years after such tax is due or within
28 three years after the declaration or return has been filed,
29 whichever is later: Provided, however, That this limitation
30 shall not prevent the institution of a suit for the collection
31 of any tax due or determined to be due in the following cases:

32 (1) Where no declaration or return was filed by any person

1 although a declaration or return was required to be filed by him
2 under provisions of this section, there shall be no limitation.

3 (2) Where an examination of the declaration or return filed
4 by any person or of other evidence relating to such declaration
5 or return in the possession of the city of the second class
6 reveals a fraudulent evasion of taxes, there shall be no
7 limitation.

8 (3) In the case of substantial understatement of tax
9 liability of twenty-five percent or more and no fraud, suit
10 shall be begun within six years.

11 (4) This section shall not be construed to limit the
12 governing body from recovering delinquent taxes by any other
13 means provided by law, with the exception of contingent fee
14 audits by a private collection agency, which shall be
15 prohibited.

16 * * *

17 Section 317. Payment of Tax to Other Political Subdivisions
18 or States as Credit or Deduction; Withholding Tax.--(a) Payment
19 of any tax to any political subdivision pursuant to an ordinance
20 or resolution passed or adopted prior to the effective date of
21 this act shall be credited to and allowed as a deduction from
22 the liability of taxpayers for any like tax respectively on
23 salaries, wages, commissions, other compensation or on net
24 profits of businesses, professions or other activities and for
25 any income tax imposed by any other political subdivision of
26 this Commonwealth under the authority of this [chapter] act.

27 (b) Payment of any tax on salaries, wages, commissions,
28 other compensation or on net profits of business, professions or
29 other activities to a political subdivision by residents thereof
30 pursuant to an ordinance or resolution passed or adopted under

1 the authority of this [chapter] ~~act, including any change in~~ <--
2 ~~rates thereto made by any other State law or any other earned~~
3 ~~income or net profits tax assessed under any other State law,~~
4 shall be credited to and allowed as a deduction from the
5 liability of such persons for any other like tax respectively on
6 salaries, wages, commissions, other compensation or on net
7 profits of businesses, professions or other activities imposed
8 by any other political subdivision of this Commonwealth under
9 the authority of this [chapter] act.

10 (c) Payment of any tax on income to any political
11 subdivision by residents thereof pursuant to an ordinance or
12 resolution passed or adopted under the authority of this
13 [chapter] ~~act, including any change in rates thereto made by any~~ <--
14 ~~other State law or any other earned income or net profits tax~~
15 ~~assessed under any other State law,~~ shall, to the extent that
16 such income includes salaries, wages, commissions, other
17 compensation or net profits of businesses, professions or other
18 activities, but in such proportion as hereinafter set forth, be
19 credited to and allowed as a deduction from the liability of
20 such persons for any other tax on salaries, wages, commissions,
21 other compensation or on net profits of businesses, professions,
22 or other activities imposed by any other political subdivision
23 of this Commonwealth under the authority of this chapter.

24 (d) Payment of any tax on income to any state or to any
25 political subdivision thereof by residents thereof, pursuant to
26 any State or local law, [may, at the discretion of the
27 Pennsylvania political subdivision imposing such tax] shall, to
28 the extent that such income includes salaries, wages,
29 commissions, or other compensation or net profits of businesses,
30 professions or other activities but in such proportions as

1 hereinafter set forth, be credited to and allowed as a deduction
2 from the liability of such person for any other tax on salaries,
3 wages, commissions, other compensation or net profits of
4 businesses, professions or other activities imposed by any
5 political subdivision of this Commonwealth under the authority
6 of this [chapter,] ~~act, including any change in rates thereto~~ <--
7 ~~made by any other State law or any other earned income or net~~
8 ~~profits tax assessed under any other State law,~~ if residents of
9 the political subdivision in Pennsylvania receive credits and
10 deductions of a similar kind to a like degree from the tax on
11 income imposed by the other state or political subdivision
12 thereof.

13 (e) Payment of any tax on income to any State other than
14 Pennsylvania or to any political subdivision located outside the
15 boundaries of this Commonwealth, by residents of a political
16 subdivision located in Pennsylvania shall, to the extent that
17 such income includes salaries, wages, commissions, or other
18 compensation or net profits of businesses, professions or other
19 activities but in such proportions as hereinafter set forth, be
20 credited to and allowed as a deduction from the liability of
21 such person for any other tax on salaries, wages, commissions,
22 other compensation or net profits of businesses, professions or
23 other activities imposed by any political subdivision of this
24 Commonwealth under the authority of this [chapter.] ~~act,~~ <--
25 ~~including any change in rates thereto made by any other State~~
26 ~~law or any other earned income or net profits tax assessed under~~
27 ~~any other State law.~~

28 (f) Where a credit or a deduction is allowable in any of the
29 several cases hereinabove provided, it shall be allowed in
30 proportion to the concurrent periods for which taxes are imposed

1 by the other state or respective political subdivisions, but not
2 in excess of the amount previously paid for a concurrent period.

3 (g) No credit or deduction shall be allowed against any tax
4 on earned income imposed under authority of this [chapter] act
5 to the extent of the amount of credit or deduction taken for the
6 same period by the taxpayer against any income tax imposed by
7 the Commonwealth of Pennsylvania under section 314 of the act of
8 March 4, 1971 (P.L.6, No.2) known as the "Tax Reform Code of
9 1971," on account of taxes imposed on income by other states or
10 by their political subdivisions.

11 SECTION 2.1. SECTION 319 OF THE ACT, RENUMBERED AND AMENDED <--
12 JULY 2, 2008 (P.L.197, NO.32), IS AMENDED TO READ:

13 SECTION 319. LIMITATION ON ASSESSMENT.--NO ASSESSMENT MAY BE
14 MADE OF ANY EARNED INCOME TAX IMPOSED UNDER THIS [CHAPTER] ACT
15 MORE THAN FIVE YEARS AFTER THE DATE ON WHICH SUCH TAX SHOULD
16 HAVE BEEN [PAID] FILED, INCLUDING EXTENDED DUE DATES, EXCEPT
17 WHERE A FRAUDULENT RETURN [OR NO RETURN] HAS BEEN FILED.

18 Section 3. Section 320 of the act is amended by adding a
19 subsection to read:

20 Section 320. Tax Limitations.--* * *

21 (c) Domicile.--An individual who does not meet the domicile
22 requirements for the purpose of determining and paying the tax
23 provided under Article III of the act of March 4, 1971 (P.L.6,
24 No.2), known as the Tax Reform Code of 1971, shall be deemed to
25 not meet the domicile requirements for local tax purposes.

26 SECTION 3.1. SECTION 404(A) OF THE ACT, ADDED OCTOBER 15, <--
27 2008 (P.L.1615, NO.130), IS AMENDED AND THE SECTION IS AMENDED
28 BY ADDING A SUBSECTION TO READ:

29 SECTION 404. INCOME TAX RATE LIMITS.

30 (A) INCOME TAX RATE LIMITS.--FOR THE FIRST FISCAL YEAR

1 BEGINNING AFTER APPROVAL OF THE REFERENDUM UNDER SECTION 407,
2 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNING BODY OF A
3 POLITICAL SUBDIVISION USING THE PROCEDURES AUTHORIZED BY THIS
4 CHAPTER SHALL BE AUTHORIZED TO IMPOSE AN INCOME TAX AT A RATE
5 NOT EXCEEDING THE MAXIMUM INCOME TAX RATE AS CALCULATED UNDER
6 SUBSECTION (B) [OR], (B.1) OR (B.2).

7 * * *

8 (B.2) CALCULATION OF MAXIMUM TAX RATE.--THE MAXIMUM INCOME
9 TAX RATE FOR A SCHOOL DISTRICT THAT LEVIED AN OCCUPATION TAX FOR
10 THE FISCAL YEAR ENDING IN 2016, OR A MUNICIPALITY THAT LEVIED AN
11 OCCUPATION TAX FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2015,
12 SHALL BE DETERMINED BY TAKING THE SUM OF THE RATES CALCULATED
13 UNDER PARAGRAPHS (1) AND (2) AND LIMITED BY PARAGRAPH (3):

14 (1) THE RATE OF THE INCOME TAX THAT WOULD HAVE RESULTED
15 IN THE COLLECTION BY THE POLITICAL SUBDIVISION OF AN AMOUNT
16 EQUAL TO THE AMOUNT COLLECTED FROM THE OCCUPATION TAX. THE
17 CALCULATION BY A SCHOOL DISTRICT UNDER THIS PARAGRAPH SHALL
18 BE MADE USING ACTUAL REVENUE COLLECTIONS FOR THE FISCAL YEAR
19 ENDING IMMEDIATELY PRIOR TO THE YEAR IN WHICH THE RESOLUTION
20 IS ADOPTED UNDER SECTION 406. THE CALCULATION BY A
21 MUNICIPALITY UNDER THIS PARAGRAPH SHALL BE MADE USING ACTUAL
22 REVENUE COLLECTIONS FOR THE CALENDAR YEAR ENDING IMMEDIATELY
23 PRIOR TO THE YEAR IN WHICH THE RESOLUTION IS ADOPTED UNDER
24 SECTION 406.

25 (2) THE RATE AT WHICH THE INCOME TAX WAS COLLECTED BY A
26 SCHOOL DISTRICT FOR THE FISCAL YEAR ENDING IMMEDIATELY PRIOR
27 TO THE YEAR IN WHICH THE RESOLUTION IS ADOPTED UNDER SECTION
28 406 OR THE RATE AT WHICH AN EARNED INCOME TAX WAS COLLECTED
29 BY A MUNICIPALITY FOR THE CALENDAR YEAR ENDING IMMEDIATELY
30 PRIOR TO THE YEAR IN WHICH THE RESOLUTION IS ADOPTED UNDER

1 SECTION 406.

2 (3) THE TAX RATE DETERMINED UNDER PARAGRAPHS (1) AND (2)
3 SHALL BE ROUNDED OFF TO THE NEAREST INCREMENT OF 0.1%.
4 THE MAXIMUM RATE OF THE INCOME TAX CALCULATED UNDER THIS
5 SUBSECTION SHALL NOT BE SUBJECT TO THE LIMITS ON THE EARNED
6 INCOME TAX SPECIFIED UNDER SECTION 311(3).

7 * * *

8 Section 4. The definitions of "nonresident," "nonresident
9 tax" and "taxpayer" in section 501 of the act, added July 2,
10 2008 (P.L.197, No.32), are amended AND THE DEFINITION OF "EARNED <--
11 INCOME" IS AMENDED BY ADDING A PARAGRAPH to read:

12 Section 501. Definitions.

13 The following words and phrases when used in this chapter
14 shall have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 * * *

17 "EARNED INCOME." THE COMPENSATION AS REQUIRED TO BE REPORTED <--
18 TO OR AS DETERMINED BY THE DEPARTMENT OF REVENUE UNDER SECTION
19 303 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX
20 REFORM CODE OF 1971, AND RULES AND REGULATIONS PROMULGATED UNDER
21 THAT SECTION SUBJECT TO THE FOLLOWING:

22 * * *

23 (3) FOR PURPOSES OF COLLECTION OF EARNED INCOME AND NET
24 PROFITS TAXES UNDER THIS CHAPTER, AND FOR CREDITING PURPOSES
25 UNDER SECTION 317, THE TERM SHALL INCLUDE ALL TAXES ON EARNED
26 INCOME OR NET PROFITS WHETHER AUTHORIZED BY THIS ACT OR ANY
27 OTHER LAW OF THIS COMMONWEALTH, UNLESS THE LAW EXPRESSLY
28 PROVIDES OTHERWISE.

29 * * *

30 "Nonresident." A person or business domiciled outside the

1 political subdivision levying the tax and performing services
2 within the political subdivision levying the tax for at least 90
3 or more consecutive days.

4 "Nonresident tax." An income tax levied by a municipality on
5 a nonresident who has performed services within the political
6 subdivision levying the tax for at least 90 or more consecutive
7 days.

8 * * *

9 "Taxpayer." A person or business required under this act to
10 file a return of an income tax or to pay an income tax. THE TERM <--
11 INCLUDES A PERSON OR BUSINESS THAT FILED A RETURN OF TAXABLE
12 INCOME DURING THE PRIOR YEAR BUT THAT HAD NO TAXABLE INCOME
13 DURING THE CURRENT YEAR AND WAS REQUIRED BY THE TAX COLLECTOR TO
14 FILE A FINAL RETURN INDICATING WHY THE PERSON OR BUSINESS NO
15 LONGER HAS TAXABLE INCOME. The term does not include a person or
16 business with no taxable income; such person or business shall
17 not be required to file a return of income or to pay an income
18 tax under this act.

19 * * *

20 Section 5. Section 502(c) of the act is amended by adding a
21 paragraph to read:

22 Section 502. Declaration and payment of income taxes.

23 * * *

24 (c) Declaration and payment.--Except as provided in
25 subsection (a) (2), taxpayers shall declare and pay income taxes
26 as follows:

27 * * *

28 (4) Every taxpayer subject to the declaration and
29 payment provisions under this section shall be deemed to have
30 met the requirements and therefore not be subject to a

1 penalty so long as one of the following safe harbor
2 exceptions is met:

3 (i) Make four equal, timely estimated payments equal
4 to 100% of the prior year's tax less any earned income
5 tax withheld for the current year.

6 (ii) Make four equal, timely estimated payments
7 equal to 90% of the current year's tax less any earned
8 income tax withheld for the current year.

9 Section 6. Section 505(a.1) (7) and (h) (1) and (2) of the
10 act, added July 2, 2008 (P.L.197, No.32), are amended AND THE <--
11 SECTION IS AMENDED BY ADDING A SUBSECTION to read:

12 Section 505. Tax collection committees.

13 * * *

14 (a.1) Duties.--A tax collection committee has the following
15 duties:

16 * * *

17 (7) To adopt, amend and repeal policies and procedures
18 consistent with the regulations under section 508 for the
19 administration of income taxes within the tax collection
20 district. The procedures shall supersede any contrary
21 resolutions or ordinances adopted by a political subdivision
22 and no additional forms, policies or procedures may be
23 adopted other than those promulgated by the department UNLESS <--
24 PERMITTED BY THE DEPARTMENT UNDER SUBSECTION (A.3). This
25 authority shall not be construed to permit a tax collection
26 committee to change the rate or subject of any tax.

27 * * *

28 (A.3) FORM.--BEGINNING JANUARY 1, 2020, IN ADMINISTERING <--
29 THIS ACT, NO POLITICAL SUBDIVISION, TAX COLLECTION COMMITTEE OR
30 TAX OFFICER MAY USE ANY FORM OTHER THAN THAT WHICH IS

1 PROMULGATED BY THE DEPARTMENT UNLESS, FOR RELIGIOUS REASONS, THE <--
2 DEPARTMENT EXPRESSLY GRANTS AN EXCEPTION TO THIS REQUIREMENT.

3 * * *

4 (h) Audits of taxes received and disbursed.--

5 (1) By the end of each calendar year, the tax collection
6 committee shall provide for at least one examination for each
7 calendar year of the books, accounts, financial statements,
8 compliance reports and records of the tax officer by a
9 certified public accountant or public accountant approved by
10 the tax collection committee. The examination shall be
11 conducted on a calendar year basis. An examination conducted
12 on any other basis shall not be accepted by the department
13 and failure to comply with this requirement shall be
14 considered noncompliance with the act resulting in the
15 imposition of penalties under section 510. The examination
16 shall include an audit of all records relating to the cash
17 basis receipt and disbursement of all public money by the tax
18 officer, a reconciliation of the monthly reports required by
19 section 509(b), an analysis of the bond amount under section
20 509(d) and an analysis of the collection fees charged to the
21 tax collection committee. In the case of a private agency,
22 the examination shall not include payroll and other
23 proprietary information. The examination shall be conducted
24 according to generally accepted governmental auditing
25 standards.

26 (2) The certified public accountant or public accountant
27 shall issue a report, on a calendar year basis and in a
28 format prescribed by the department, to the tax collection
29 committee, which shall include an auditor's opinion letter, a
30 financial statement for the year ending December 31, a

1 reconciliation of the monthly reports required by section
2 509(b) with the receipts and disbursements on a calendar year
3 basis, a summary of collection fees charged to the tax
4 collection committee on a calendar year basis, a report on
5 the tax officer's compliance with this act, a list of any
6 findings of noncompliance with this act and a copy of a
7 management letter if one is issued by the auditor. If there
8 are findings of noncompliance, a copy of the report shall be
9 filed with the Department of the Auditor General and the
10 department. A copy of the report shall be filed with all
11 political subdivisions within the tax collection district and
12 the department on or before September 1 of the succeeding
13 year. The department may make available on its Internet
14 website summary data from the reports filed under this
15 subsection. The department may reject any report which is not
16 in the proper format and does not meet the requirements of
17 this paragraph. Failure to correct the submission within 30
18 days of the rejection shall constitute noncompliance with the
19 act and result in the imposition of penalties under section
20 510.

21 * * *

22 Section 7. Section 508 of the act is amended by adding a
23 subsection to read:

24 Section 508. Powers and duties of the department.

25 * * *

26 (g) Oversight.--The department shall oversee all tax
27 collection committees, tax collectors and tax collection
28 offices. In exercising this duty the department shall:

29 (1) Provide the public with a method to report tax
30 collection issues.

1 ~~(2) Enforce the fines and penalties promulgated under~~ <--
2 ~~section 510.~~

3 ~~(3) (2) Ensure that all ordinances, rules, regulations~~ <--
4 ~~and forms adopted in the collection of the earned income and~~
5 ~~net profits taxes are consistent with those promulgated by~~ <--
6 ~~the department.~~

7 Section 8. Sections 509(b), 512(3) and (7) and 706 of the
8 act, amended or added July 2, 2008 (P.L.197, No.32), are amended
9 to read:

10 Section 509. Powers and duties of tax officer.

11 * * *

12 (b) Monthly reports.--

13 (1) The tax officer shall, within 20 days after the end
14 of each month, provide a written report, on forms prescribed
15 by the department, to the secretary of the tax collection
16 committee and to the secretary of each political subdivision
17 in the tax collection district for which taxes were collected
18 during the previous month.

19 (2) The report shall include a breakdown of all income
20 taxes, income generated from investments under subsection (a)
21 (6), penalties, costs and other money received, collected,
22 expended and distributed for each political subdivision
23 served by the tax officer and of all money distributed to tax
24 officers for other tax collection districts.

25 (3) The report shall also include a calendar year-to-
26 date total column of all the items enumerated in paragraph
27 (2).

28 (4) In addition to the duty imposed under paragraph (1),
29 a copy of the December monthly report shall be filed with the
30 department.

1 * * *

2 Section 512. Withholding and remittance.

3 For taxable years commencing on and after January 1, 2012, or
4 earlier taxable years if specified by a tax collection district,
5 income taxes shall be withheld, remitted and reported as
6 follows:

7 * * *

8 (3) Every employer having an office, factory, workshop,
9 branch, warehouse or other place of business within a tax
10 collection district that employs one or more persons, other
11 than domestic servants, for a salary, wage, commission or
12 other compensation, shall, at the time of payment, deduct
13 from the compensation due each employee employed at such
14 place of business the greater of the employee's resident tax
15 or the employee's nonresident tax as released in the official
16 register under section 511. In the case of employees with
17 temporary job assignments, the employer shall withhold and
18 remit the following taxes:

19 (i) Employees working for less than 90 consecutive
20 days at a job location, the greater of the employee's
21 resident tax or the employee's nonresident tax based on
22 the location of the permanent home office of the
23 employer.

24 (ii) Employees working for 90 or more consecutive
25 days at a job location, the greater of the employee's
26 resident tax or the employee's nonresident tax based on
27 the job location.

28 (iii) Employees working in the City of Philadelphia
29 shall be exempt from the provisions of this section to
30 the extent they are subject to the act of August 5, 1932

1 (Sp.Sess., P.L.45, No.45), referred to as the Sterling
2 Act.

3 * * *

4 (7) On or before February 28 of the succeeding year,
5 every employer shall file with the tax officer where income
6 taxes have been deducted and remitted pursuant to paragraph
7 (3):

8 (i) An annual return showing, for the period
9 beginning January 1 of the current year and ending
10 December 31 of the current year, the total amount of
11 compensation paid, the total amount of income tax
12 deducted, the total amount of income tax paid to the tax
13 officer and any other information prescribed by the
14 department.

15 (ii) An individual withholding statement, which may
16 be integrated with the Federal Wage and Tax Statement
17 (Form W-2), for each employee employed during all or any
18 part of the period beginning January 1 of the current
19 year and ending December 31 of the current year, setting
20 forth the address and Social Security number, the amount
21 of compensation paid to the employee during the period,
22 the amount of income tax deducted, [the amount of income
23 tax paid to the tax officer,] the numerical code
24 prescribed by the department representing the [tax
25 collection district where the payments required by
26 paragraphs (4) and (5) were remitted] political
27 subdivision of the employee's work location, and, in the
28 case where an employer has made an election under
29 paragraph (5) to file with a single tax collector <--
30 OFFICER, the two-digit code representing the tax <--

1 collection district to whose tax collector OFFICER the
2 withheld taxes were remitted in the format of xxxxxx-xx
3 and any other information required by the department.
4 Every employer shall furnish one copy of the individual
5 withholding statement to the employee for whom it is
6 filed.

7 * * *

8 Section 706. Penalties.--(a) Except as otherwise provided
9 in the case of any tax levied and assessed upon income, any such
10 political subdivision shall have power to prescribe and enforce
11 reasonable penalties for the nonpayment, within the time fixed
12 for their payment, of taxes imposed under authority of this act
13 [and for the violations of the provisions of ordinances or
14 resolutions passed under authority of this act].

15 (b) If for any reason any tax levied and assessed upon
16 income by any such political subdivision is not paid when due,
17 interest and penalties as provided in section 509(i) shall be
18 added and collected. When suit is brought for the recovery of
19 any such tax, the person liable therefor shall, in addition, be
20 liable for the costs of collection and the interest and
21 penalties herein imposed.

22 (c) In addition to any other power provided by this act, a
23 tax collector OR OFFICER may abate any penalty imposed under any <--
24 provision of this act.

25 Section 9. Section 707 of the act is amended by adding a
26 subsection to read:

27 Section 707. Costs of Collection of Delinquent Per Capita,
28 Occupation, Occupational Privilege, Emergency and Municipal
29 Services, Local Services and Income Taxes.--* * *

30 (d) A contingent fee audit may not be conducted in the

1 collection of delinquent taxes.

2 Section 10. This act shall take effect in 60 days.