
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 291 Session of
2017

INTRODUCED BY PEIFER, MAHER, MILLARD, DUNBAR, WARD, HEFFLEY,
STAATS, DOWLING AND PICKETT, APRIL 26, 2017

REFERRED TO COMMITTEE ON COMMERCE, APRIL 26, 2017

A RESOLUTION

1 Directing the Department of Community and Economic Development,
2 in consultation with the Department of Revenue and the
3 Independent Fiscal Office, to commence a study to investigate
4 the feasibility and potential cost savings associated with
5 the replacement of local earned income tax collection methods
6 by local taxing committees with a Statewide collection method
7 domiciled in the Department of Revenue.

8 WHEREAS, Act 32 of 2008 was signed into law on July 2, 2008,
9 to restructure the collection of local earned income taxes in
10 this Commonwealth by reducing the number of local earned income
11 tax collection districts from approximately 560 to 69; and

12 WHEREAS, The act, which took effect on a Statewide basis on
13 January 1, 2012, resulted in the establishment of a single tax
14 collection district in each county, with the exception of
15 Allegheny County, which established four tax collection
16 districts, and Philadelphia County, which was exempt from the
17 requirements of the act; and

18 WHEREAS, The Department of Community and Economic Development
19 was charged with developing uniform forms, notices, reports,
20 returns, schedules and codes for school districts,

1 municipalities and tax collection districts and maintaining
2 regulatory oversight of the act, but was not provided the time
3 nor the resources to support the multitude of issues that came
4 with the enactment of tax collection under the act; and

5 WHEREAS, The Pennsylvania Legislative Budget and Finance
6 Committee's report to the General Assembly in December 2016
7 indicated that:

8 (1) the act increased earned income tax collections by
9 an estimated \$173 million annually; and

10 (2) inefficiencies continue to plague the local tax
11 collection process to the detriment of school districts and
12 municipalities in this Commonwealth; and

13 WHEREAS, Streamlining the current system with a State method
14 of collection of the local earned income tax could eliminate
15 problems with coordination and inconsistency among local tax
16 collectors; and

17 WHEREAS, State collection of local earned income taxes could
18 maximize the simplicity of collection and increase the
19 efficiency and fairness of the system while providing
20 significant relief to school districts, municipalities,
21 employers and tax preparers; and

22 WHEREAS, The cost of centralized tax administration could be
23 more than offset by the elimination of the cost of income tax
24 administration and collection at the local level; and

25 WHEREAS, The State collection of the earned income tax could
26 create the fairest and most efficient system for the taxpayers
27 in this Commonwealth; and

28 WHEREAS, The central administration of State and local income
29 taxes could provide for a more uniform tax administration and
30 customer service that results in the taxpayers in this

1 Commonwealth filing one income tax return; therefore be it
2 RESOLVED, That the House of Representatives direct the
3 Department of Community and Economic Development, in
4 consultation with the Department of Revenue and the Independent
5 Fiscal Office, to commence a study to investigate the
6 feasibility and potential cost savings associated with the
7 replacement of local earned income tax collection methods by
8 local taxing committees with a Statewide collection method
9 domiciled in the Department of Revenue; and be it further

10 RESOLVED, That the Department of Community and Economic
11 Development furnish a report of its findings and recommendations
12 resulting from the study to the chairperson and minority
13 chairperson of the Finance Committee of the Senate and the
14 chairperson and minority chairperson of the Finance Committee of
15 the House of Representatives no later than December 31, 2017;
16 and be it further

17 RESOLVED, That copies of this resolution be transmitted to
18 the Department of Revenue, the Independent Fiscal Office, the
19 President pro tempore of the Senate and the Speaker of the House
20 of Representatives.