

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2756 Session of 2020

INTRODUCED BY OBERLANDER, CONKLIN, CAUSER, CIRESI AND STRUZZI,
AUGUST 7, 2020

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, AUGUST 7, 2020

AN ACT

1 Amending the act of August 9, 1955 (P.L.323, No.130), entitled
2 "An act relating to counties of the first, second class A,
3 third, fourth, fifth, sixth, seventh and eighth classes;
4 amending, revising, consolidating and changing the laws
5 relating thereto; relating to imposition of excise taxes by
6 counties, including authorizing imposition of an excise tax
7 on the rental of motor vehicles by counties of the first
8 class; and providing for regional renaissance initiatives,"
9 in fiscal affairs, providing for county local services and
10 occupational tax.

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

13 Section 1. The act of August 9, 1955 (P.L.323, No.130),
14 known as The County Code, is amended by adding a section to
15 read:

16 Section 1770.13. County Local Services and Occupational
17 Tax.--(a) A county may, by ordinance, levy, assess and collect
18 a county local services tax as authorized under this section. A
19 county levying the county local services tax at a rate exceeding
20 ten dollars (\$10) or less may, by ordinance or resolution,
21 exempt any individual from the county local services tax whose
22 total earned income and net profits from all sources within the

1 county is less than twelve thousands dollars (\$12,000) in the
2 calendar year in which the tax is levied.

3 (b) (1) A person seeking to claim an exemption from the
4 county local services tax may annually file an exemption
5 certificate with the county levying the tax and with the
6 individual's employer affirming that the individual reasonably
7 expects to have a total earned income and net profits from all
8 sources within the county of less than the income threshold
9 under subsection (a) in the calendar year for which the
10 exemption certificate is filed. The individual seeking to claim
11 an exemption from the county local services tax shall attach the
12 individual's most recent pay stub or W-2 form from the
13 individual's most recent employer for the calendar year prior to
14 the calendar year for which the individual is seeking the
15 exemption. The county shall provide a copy of the exemption
16 certificate to the office of the tax collector, county treasurer
17 or any other person authorized to collect taxes for the county.

18 (2) Upon receipt of the exemption certificate under clause
19 (1) and until otherwise instructed by the county levying the
20 county local services tax, the employer may not withhold the
21 county local services tax from the individual during the
22 calendar year for which the exemption applies. Each employer
23 within a county levying the local services tax shall ensure that
24 exemption certificate forms are readily available to employees
25 at all times and shall furnish each new employee with an
26 exemption certificate form at the time of hiring. The Department
27 of Community and Economic Development shall develop and make
28 available to counties and employers uniform exemption
29 certificate forms.

30 (3) An employer shall withhold the county local services tax

1 from an individual if all of the following apply:

2 (i) The employer receives a notification from the individual
3 seeking an exemption under clause (1) from the county local
4 services tax that the individual has a total earned income and
5 net profits from all sources within the county that is equal or
6 more than the income threshold specified under subsection (a) in
7 the calendar year for which the individual is seeking the
8 exemption.

9 (ii) The employer's payment to the individual causes the
10 individual to have a total earned income and net profits from
11 all sources within the county that is equal or more than the
12 income threshold specified under subsection (a) in the calendar
13 year for which the individual is seeking the exemption.

14 (4) If an individual who claimed an exemption from the
15 county local services tax for a calendar year becomes subject to
16 the tax during the calendar year, the individual's employer
17 shall withhold the tax for the first payroll period after
18 receipt of the notification under clause (3)(i) in a lump sum
19 equal to the amount of tax that was not withheld due to the
20 exemption claimed by the individual plus the per-payroll amount
21 due for the first payroll period. The employer shall withhold
22 the county local services tax from the individual for the
23 remaining payroll period in the calendar year equal to the
24 amount withheld for other employees.

25 (5) If an employer severs employment with an individual
26 subject to the county local services tax, the individual shall
27 be liable for any outstanding balance of tax due and the county
28 may take any action necessary to collect the remaining tax due
29 in accordance with this act.

30 (6) Except as provided for the purposes specified under

1 clause (3), nothing in this subsection shall be construed to
2 require an employer to investigate exemption certificates,
3 monitor county local services tax exemption eligibility or
4 exempt any employee from the county local services tax.

5 (c) A county may, by ordinance, levy, assess and collect a
6 county local occupational tax on an individual for the privilege
7 of engaging in an occupation within the county. The county may
8 only collect the county local occupation tax at an individual's
9 place of employment. The following apply:

10 (1) If a county local occupational tax is levied at a
11 combined rate exceeding ten dollars (\$10) in a calendar year, an
12 individual subject to the county local occupational tax shall be
13 assessed at a pro rata share of the county local occupational
14 tax for each payroll period when the individual is engaging in
15 an occupation within the county. The pro rata share of the
16 county local occupational tax assessed on the individual shall
17 be determined by dividing the combined rate of the county local
18 occupation tax levied for the calendar year by the number of
19 payroll periods established by the employer for the calendar
20 year. For the purposes of determining the pro rata share, an
21 employer shall round down the amount of the county local
22 occupational tax collected under each payroll period to the
23 nearest one-hundredth dollar. Except as provided under clause
24 (3), the collection of the county local occupational tax shall
25 be made on a payroll period basis for each payroll period when
26 the individual is engaging in an occupation within the county.

27 (2) If an individual is subject to the county local
28 occupational tax at a combined rate of more than ten dollars
29 (\$10), the situs of the county local occupational tax shall be
30 the place of employment on the first day the individual becomes

1 subject to the tax during each payroll period. If an individual
2 is subject to the county local occupational tax at a combined
3 rate of not more than ten dollars (\$10), the situs of the tax
4 shall be the individual's place of employment as determined by
5 the date when the individual becomes subject to the tax during
6 the calendar year. If an individual is engaged in more than one
7 occupation and maintaining concurrent employment within the
8 county, or an occupation that requires the individual to work in
9 more than one county during a payroll period, the priority of
10 claim to collect the county local occupational tax shall be in
11 the following order:

12 (i) The county where the individual maintains the
13 individual's principal office or employment.

14 (ii) The county where the individual resides and works if
15 the county local occupational tax is levied in the county.

16 (iii) The county where the individual is employed and which
17 imposes the county local occupational tax nearest in the miles
18 to the individual's place of residence.

19 (3) If an individual has more than one occupation and
20 maintains concurrent employment within a county that levies the
21 county local occupational tax, the individual's employer may not
22 withhold the county local occupational tax if the individual
23 provides a recent pay statement from a principal employer that
24 includes all of the following:

25 (i) The name of the employer.

26 (ii) The length of the payroll period.

27 (iii) The amount of county local occupational tax withheld.

28 (iv) A statement from the individual that the pay statement
29 is from the individual's principal employer and the individual
30 will notify the individual's other employers of a change in the

1 individual's principal place of employment no later than
2 fourteen days from the date of the change. The Department of
3 Community and Economic Development shall develop a uniform
4 employee statement form.

5 (4) The county local occupational tax shall be no more than
6 fifty-two dollars (\$52) on each individual for each calendar
7 year, regardless of the number of counties where an individual
8 may be employed. Upon request by an individual, a county that
9 levies the county local occupational tax shall provide the
10 individual a receipt of payment of the county local occupational
11 tax.

12 (d) A county that levies the county local services tax or
13 county local occupational tax shall adopt regulations for the
14 processing of refund claim for overpaid taxes during a calendar
15 year. The regulations under this subsection shall be consistent
16 with 53 Pa.C.S. §§ 8425 (relating to refunds of overpayments)
17 and 8426 (relating to interest on overpayment). Refunds under
18 this subsection made within seventy-five days of a refund
19 request or seventy-five days after the last day an employer is
20 required to remit the tax for the last quarter of the calendar
21 year, whichever is later, shall not be subject to the interest
22 imposed under 53 Pa.C.S. § 8426. A county shall only provide a
23 refund under this subsection for amounts overpaid in a calendar
24 year that exceed one dollar (\$1).

25 (e) A county that collects revenue from the county local
26 services tax or county local occupational tax may distribute the
27 revenue to emergency medical services agencies to provide
28 services within the county.

29 (f) The Department of Community and Economic Development
30 shall provide suggested forms and technical assistance to

1 facilitate the administration of the county local services tax
2 and county local occupational tax for counties and reduce the
3 burden of implementation, accounting and compliance for
4 employers and employees.

5 (g) A county levying a county local services tax or county
6 local occupational tax shall exempt all of the following
7 individuals from the county local services tax:

8 (1) A veteran.

9 (2) An individual who serves in the United States Armed
10 Forces, including a reserve component or National Guard, and who
11 is placed on active duty at any time during the calendar year in
12 which the county local services tax is levied.

13 (h) As used in this section, the following words and phrases
14 shall have the meanings given to them in this subsection:

15 "County." A county of the second, second A, third, fourth,
16 fifth, sixth, seventh or eighth class. The term does not include
17 a county of the first class.

18 "Emergency medical services agency." As defined in 35
19 Pa.C.S. § 8103 (relating to definitions).

20 "Veteran." An individual who served in the United States
21 Armed Forces, including a reserve component or National Guard,
22 and who was discharged or released from service under conditions
23 other than dishonorable.

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