

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1373 Session of
2013

INTRODUCED BY PAINTER, COHEN, BARRAR, DAVIS AND KORTZ,
MAY 13, 2013

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MAY 13, 2013

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 delegation of taxing powers and
23 restrictions thereon, for limitations on rates of specific
24 taxes, for collection of delinquent per capita, occupation,
25 occupational privilege, emergency and municipal services,
26 local services and income taxes from employers, etc., for
27 collection of delinquent per capita, occupation, occupational
28 privilege, emergency and municipal services, local services
29 and income taxes from the Commonwealth and for costs of
30 collection of delinquent per capita, occupation, occupational
31 privilege, emergency and municipal services, local services
32 and income taxes.

33 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 301.1(b) and (f)(4) of the act of
3 December 31, 1965 (P.L.1257, No.511), known as The Local Tax
4 Enabling Act, amended October 15, 2008 (P.L.1615, No.130), are
5 amended and subsection (f) is amended by adding a paragraph to
6 read:

7 Section 301.1. Delegation of Taxing Powers and Restrictions
8 Thereon.--* * *

9 (b) Each local taxing authority may, by ordinance or
10 resolution, exempt any person whose total income from all
11 sources is less than twelve thousand dollars (\$12,000) per annum
12 from the [per capita or similar head tax,] occupation tax or
13 earned income tax, or any portion thereof, and may adopt
14 regulations for the processing of claims for exemptions.

15 * * *

16 (f) Such local authorities shall not have authority by
17 virtue of this act:

18 * * *

19 (4) To levy, assess and collect a tax on goods and articles
20 manufactured in such political subdivision or on the by-products
21 of manufacture, or on minerals, timber, natural resources and
22 farm products produced in such political subdivision or on the
23 preparation or processing thereof for use or market, or on any
24 privilege, act or transaction related to the business of
25 manufacturing, the production, preparation or processing of
26 minerals, timber and natural resources, or farm products, by
27 manufacturers, by producers and by farmers with respect to the
28 goods, articles and products of their own manufacture,
29 production or growth, or on any privilege, act or transaction
30 relating to the business of processing by-products of

1 manufacture, or on the transportation, loading, unloading or
2 dumping or storage of such goods, articles, products or by-
3 products; except that local authorities may levy, assess and
4 collect a local services tax and taxes on the occupation[, per
5 capita] and earned income or net profits of natural persons
6 engaged in the above activities whether doing business as
7 individual proprietorship or as members of partnerships or other
8 associations;

9 * * *

10 (17) To levy, assess or collect a per capita tax of any kind
11 on any person.

12 Section 2. Sections 311(1), 702, 703 and 707 of the act,
13 amended July 2, 2008 (P.L.197, No.32), are amended to read:

14 Section 311. Limitations on Rates of Specific Taxes.--No
15 taxes levied under the provisions of this chapter shall be
16 levied by any political subdivision on the following subjects
17 exceeding the rates specified in this section:

18 [(1) Per capita, poll or other similar head taxes, ten
19 dollars (\$10).]

20 * * *

21 Section 702. Collection of Delinquent [Per Capita,]
22 Occupation, Occupational Privilege, Emergency and Municipal
23 Services, Local Services and Income Taxes from Employers, etc.--
24 The tax collector under Chapter 3 and the tax officer under
25 Chapter 5 shall demand, receive and collect from all employers,
26 other than the Commonwealth, employing persons owing delinquent
27 [per capita,] occupation or occupational privilege taxes under
28 Chapter 3 or emergency and municipal services, local services
29 and income taxes under Chapter 5, or whose spouse owes
30 delinquent [per capita,] occupation or occupational privilege

1 taxes under Chapter 3 or emergency and municipal services, local
2 services and income taxes under Chapter 5, or having in
3 possession unpaid commissions or earnings belonging to any
4 person or persons owing delinquent [per capita,] occupation or
5 occupational privilege taxes under Chapter 3 or emergency and
6 municipal services, local services and income taxes under
7 Chapter 5, or whose spouse owes delinquent [per capita,]
8 occupation or occupational privilege taxes under Chapter 3 or
9 emergency and municipal services, local services and income
10 taxes under Chapter 5, upon the presentation of a written notice
11 and demand certifying that the information contained therein is
12 true and correct and containing the name of the taxable or the
13 spouse thereof and the amount of tax due. Upon the presentation
14 of such written notice and demand, it shall be the duty of any
15 employer to deduct from the wages, commissions or earnings of
16 such individual employes, then owing or that shall within sixty
17 days thereafter become due, or from any unpaid commissions or
18 earnings of any such taxable in the employer's possession, or
19 that shall within sixty days thereafter come into the employer's
20 possession, a sum sufficient to pay the respective amount of the
21 delinquent taxes and costs, shown upon the written notice or
22 demand, and to pay the same to the tax collector of the taxing
23 district or to the tax officer for the tax collection district
24 in which such delinquent tax was levied within sixty days after
25 such notice shall have been given. No more than ten percent of
26 the wages, commissions or earnings of the delinquent taxpayer or
27 spouse thereof may be deducted at any one time for delinquent
28 taxes and costs. The employer shall be entitled to deduct from
29 the moneys collected from each employe the costs incurred from
30 the extra bookkeeping necessary to record such transactions, not

1 exceeding two percent of the amount of money so collected and
2 paid over to the tax collector or tax officer. Upon the failure
3 of any employer to deduct the amount of such taxes or to pay the
4 same over to the tax collector or tax officer, less the cost of
5 bookkeeping involved in such transaction, as herein provided,
6 within the time hereby required, the employer shall forfeit and
7 pay the amount of such tax for each such taxable whose taxes are
8 not withheld and paid over, or that are withheld and not paid
9 over together with a penalty of ten percent added thereto, to be
10 recovered by an action of assumpsit in a suit to be instituted
11 by the tax collector or tax officer, or by the proper
12 authorities of the taxing district or tax collection district,
13 as debts of like amount are now by law recoverable, except that
14 such person shall not have the benefit of any stay of execution
15 or exemption law. The tax collector or tax officer shall not
16 proceed against a spouse or the spouse's employer until the tax
17 collector or tax officer has pursued collection remedies against
18 the delinquent taxpayer and his employer under this section.

19 Section 703. Collection of Delinquent [Per Capita,]
20 Occupation, Occupational Privilege, Emergency and Municipal
21 Services, Local Services and Income Taxes from the
22 Commonwealth.--Upon presentation of a written notice and demand
23 under oath or affirmation, to the State Treasurer or any other
24 fiscal officer of the State, or its boards, authorities,
25 agencies or commissions, it shall be the duty of the treasurer
26 or officer to deduct from the wages then owing, or that shall
27 within sixty days thereafter become due to any employe, a sum
28 sufficient to pay the respective amount of the delinquent [per
29 capita,] occupation or occupational privilege, emergency and
30 municipal services, local services under Chapter 3 and income

1 taxes under Chapter 5 and costs shown on the written notice. The
2 same shall be paid to the tax collector or the tax officer of
3 the tax collection district of the taxing district in which said
4 delinquent tax was levied within sixty days after such notice
5 shall have been given.

6 Section 707. Costs of Collection of Delinquent [Per Capita,]
7 Occupation, Occupational Privilege, Emergency and Municipal
8 Services, Local Services and Income Taxes.--(a) A bureau,
9 political subdivision or private agency designated by a
10 governing body of a political subdivision or a tax collection
11 district to collect and administer [per capita,] occupation or
12 occupational privilege, emergency and municipal services, local
13 services taxes under Chapter 3 or income taxes under Chapter 5
14 may impose and collect the reasonable costs incurred to provide
15 notices of delinquency or to implement similar procedures
16 utilized to collect delinquent taxes from a taxpayer as approved
17 by the governing body of the political subdivision or the tax
18 collection committee. Reasonable costs collected may be retained
19 by the tax collector under Chapter 3 or the tax officer under
20 Chapter 5. An itemized accounting of all costs collected shall
21 be remitted to the political subdivision or the tax collection
22 committee on an annual basis.

23 (b) Costs related to the collection of unpaid [per capita,]
24 occupation, occupational privilege, emergency and municipal
25 services or local services taxes may only be assessed, levied
26 and collected for five years from the last day of the calendar
27 year in which the tax was due.

28 (c) A delinquent taxpayer may not bring an action for
29 reimbursement, refund or elimination of reasonable costs of
30 collection assessed or imposed prior to the effective date of

1 this section. Additional costs may not be assessed on delinquent
2 taxes collected prior to the effective date of this section.

3 Section 3. The amendment of sections 301.1(b) and (f)(4),
4 311(1), 702, 703 and 707 of the act shall apply to fiscal years
5 beginning on or after the effective date of this act.

6 Section 4. This act shall take effect immediately.