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Earned Income Tax

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EARNED INCOME TAX ORDINANCE
OF THE TOWNSHIP OF BUFFALO

AN ORDINANCE IMPOSING A TAX FOR GENERAL REVENUE PURPOSES ON SALARIES, WAGES, COMMISSIONS, COMPENSATION AND EARNED INCOME DURING THE PERIOD BEGINNING JULY 1, 1966, AND ENDING DECEMBER 31, 1966, BY RESIDENTS OF BUFFALO TOWNSHIP OR NON-RESIDENTS EMPLOYED IN THE TOWNSHIP OF BUFFALO, WASHINGTON COUNTY, PENNSYLVANIA, AND ON THE NET PROFITS EARNED DURING SAID PERIOD FROM BUSINESSES, PROFESSIONS OR OTHER ACTIVITIES CONDUCTED WITHIN THE TOWNSHIP OF BUFFALO, WASHINGTON COUNTY, PENNSYLVANIA, BY RESIDENTS OR NON-RESIDENTS; REQUIRING THE FILING OF DECLARATIONS AND RETURNS AND THE GIVING OF INFORMATION BY EMPLOYERS AND BY THOSE SUBJECT TO THE TAX, IMPOSING ON EMPLOYERS THE DUTY OF COLLECTING THE TAX AT SOURCE, PROVIDING FOR THE ADMINISTRATION AND ENFORCEMENT OF THE ORDINANCE AND IMPOSING PENALTIES FOR VIOLATION THEREOF.

THE SUPERVISORS OF THE TOWNSHIP OF BUFFALO, WASHINGTON COUNTY, PENNSYLVANIA, UNDER THE AUTHORITY OF THE LOCAL TAX ENABLING ACT AND ITS AMENDMENTS HEREBY ENACTS AS FOLLOWS:

SECTION 1.

DEFINITIONS: The following words and phrases, when used in this ordinance shall have the meanings ascribed to them in this section, except where the context clearly indicates or requires a different meaning:

Association: - A partnership, limited partnership, or any other form of unincorporated enterprise, owned by two or more persons.

Business - An enterprise, activity, profession, or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, association, or any other entity.

Corporation - A corporation or joint stock association organized under the laws of the United States, the State of Pennsylvania, or any other state, territory, foreign country or dependency.

Domicile - The place where one lives and has his permanent home and to which he has the intention of returning whenever he is absent. In the case of businesses, or associations, the domicile is that place considered as the center of business affairs and the place where its functions are discharged.

Earned Income-Salaries, wages, commissions, bonuses, incentive payments, fees, tips and other compensation received by a person or his personal representative for services rendered, whether directly or through an agent, and whether in cash or in property; not including,

however, wages or compensation paid to persons on active military service, periodic payments for sickness and disability other than regular wages received during a period of sickness, disability or retirement or payments arising under workmen's compensation acts, occupational disease acts and similar legislation, or payments commonly recognized as old age benefits, retirement pay or pensions paid to persons retired from service after reaching a specific age or after a stated period of employment or payments commonly known as public assistance, or unemployment compensation payments made by any governmental agency or payments to reimburse expenses or payments made by employers or labor unions for wage and salary supplemental programs, including, but not limited to, programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, strike benefits, social security and retirement.

Employer - An individual, partnership, association, corporation, institution, governmental body or unit or agency, or any other entity employing one or more persons for a salary, wage, commission or other compensation basis.

Net Profits - The net income from the operation of a business, profession or other activity, except corporations, after provision for all costs and expenses incurred in the conduct thereof, either paid or accrued in accordance with the accounting system used in such business, profession or other activity, but without deduction of taxes based on income.

Person or Individual - A natural person.

Resident - Person, partnership, association, or other entity domiciled in the Township of Buffalo.

Non-Resident- A person, partnership, association or other entity domiciled outside the Township of Buffalo.

Township - Where ever used in this Ordinance shall be construed to mean the Township of Buffalo, Washington County, Pennsylvania.

Taxpayer - A person, partnership, association, or any other entity, required hereunder to file a return of earned income or net profits, or to pay a tax thereon.

Collector - The appointed Collector of the Township of Buffalo. The singular shall include the plural and the masculine shall include the feminine and the neuter.

SECTION 2.

IMPOSITION OF TAX. A tax for general purposes of one-half of one (.005) per centum is hereby imposed on the following:

- (a) Earned Income received on and after July 1, 1966, by residents and also by non-residents of Buffalo Township who receive

same from employment or occupation within Buffalo Township.

- (b) Net profits earned on and after July 1, 1966, by businesses, professions, and other activities conducted within Buffalo Township by residents and non-residents.

The tax levied under (a) herein shall relate to and be imposed upon salaries, wages, commissions and other earned income as defined herein paid by an employer or on his behalf to a person who is employed by or renders services to him. The tax levied under (b) herein shall relate to and be imposed on the net profits of any business, profession or other activity carried on by any person as owner or as proprietor, either individually or in association with some other person or persons, except corporations.

The tax levied by this Ordinance shall be applicable to earnings and to net profits earned during the period beginning July 1, 1966, and ending December 31, 1966.

SECTION 3.

DECLARATION AND PAYMENT OF TAX. (a) Net Profits.

- (1) Every taxpayer who anticipates any net profits shall, on or before September 15, 1966, make and file with the Collector on a form prescribed by the Collector, a declaration of his estimated net profits during the period beginning July 1, 1966, and ending December 31, 1966, setting forth the estimated amount of net profits anticipated by him during the said period and subject to the tax, the amount of tax imposed by this ordinance on such estimated net profits, and such other information as the Collector may require. The taxpayer making the declaration shall, at the time of filing thereof, pay to the Collector, the estimated amount of tax shown as due thereon. Provided, however, that the taxpayer shall have the right to pay the estimated tax in two quarterly installments as follows: the first installment for the months of July, August, and September, 1966, at the time of filing the declaration on or before September 15, 1966, and the other installment on or before December 31, 1966.
- (2) Any taxpayer who first anticipates any net profits after July 15, 1966, shall make and file the declaration hereinabove required on or before September 15, 1966, or January 15, 1967, whichever of these dates next follows the date on which the taxpayer first anticipates such net profits. The taxpayer making the declaration shall, at the time of filing thereof, pay to the Collector the estimated amount of tax shown as due thereon.
- (3) The Collector is hereby authorized to provide any regulation for the making and filing of adjusted declarations of estimated net profits, and for the payment of the estimated net profits, and for the payment of the estimated tax in cases where a taxpayer who has filed the declaration hereinabove required anticipates additional net profits

not previously declared or finds that he has over estimated his anticipated net profits.

(4) On or before April 15, 1967, every taxpayer who has received net profits shall make and file with the Collector on a form prescribed by him, a final return showing all of his net profits for the period beginning July 1, 1966, and ending December 31, 1966, the total amount of tax due, the amount of estimated tax paid under the provisions of this Section, and the balance due.

(5) Every taxpayer who discontinues business prior to December 31, 1966, shall within thirty (30) days after the discontinuance of business, file his final return as hereinabove required and pay the tax due.

(b) Salaries, wages, commissions and other compensation.

Every taxpayer who is employed on a salary, wage, commission or other Compensation basis and who receives any earnings not subject to the provisions of Section 4 of this ordinance relating to the collection at source, shall on or before October 31, 1966, make and file with the Collector, on a form prescribed by the Collector, a return setting forth the aggregate amount of salaries, wages, commissions and other compensation earned by him during July, August and September, 1966, and subject to the tax, together with such other information as the Collector may require. He shall, also, on or before January 31, 1967, make and file with the Collector, on a form prescribed by the Collector, a return setting forth the aggregate amount of salaries, wages, commissions and other compensation earned by him during the three month period ending December 31, 1966, and subject to the tax, together with such other information as the Collector may require. Every taxpayer making such return, shall at the time of filing thereof pay to the Collector the amount of tax shown as due thereon. Quarterly returns shall for succeeding years be made on or before April 30, July 31, October 31 and January 31.

(c) In addition to said quarterly returns, every taxpayer shall file a final return on or before April 15 of the succeeding year, paying the balance of the tax due or demanding a refund or credit in case of overpayment.

SECTION 4.

COLLECTION AT SOURCE.

(a) Every employer within Buffalo Township who employe one or more persons on a salary, wage, commission or other compensation basis, other than domestic servants, shall on or before July 15, 1966, or within fifteen (15) days after becoming an employer, register with the Collector his name and address and such other information as the Collector may require.

(b) Every employer within Buffalo Township who employe one or more persons on a salary, wage, commission or other compensation basis, other than domestic servants, shall deduct monthly or more often than monthly, at the time of payment thereof, the tax imposed by this ordinance on the salary, wage, commission and other compensation due to this employe or employees, and shall on or before October 31, 1966, file a return of taxes deducted on a form prescribed by the Collector and pay to the

Collector the amount of tax deducted for the months of July, August and September, 1966. He shall also on or before January 31, 1967, file a return of taxes deducted on a form prescribed by the Collector and pay to the Collector the amount of tax deducted by him for the three months period ending December 31, 1966.

(c) On or before February 28, 1967, every such employer shall file with the Collector on forms prescribed by him:

- (1) A final return showing the total amount of salaries, wages, commissions and other compensation paid, the total amount of tax deducted, the total amount of tax paid to the Collector during the period beginning July 1, 1966, and ending December 31, 1966.
- (2) A return for each employee employed during all or any part of the period beginning July 1, 1966, and ending December 31, 1966, setting forth the employee's name, address and Social Security number, the amount of salaries, wages, commissions or other compensation paid the employee during said period, the amount of tax deducted, the amount of tax paid to the Collector, and such other information as the Collector may require. Every employer shall furnish two (2) copies of the individual return to the employee for whom it is filed.

(d) Every employer who discontinues business prior to December 31, 1966, shall within thirty (30) days after the discontinuance of business, file the return hereinabove required and pay the tax due.

(e) The failure or omission of any employer to make the deductions required by this section shall not relieve any employee from the payment of the tax or from complying with the requirements of this ordinance relating to the filing of declarations and returns.

(f) Every employer who willfully or negligently fails or omits to make the deductions required by this section shall be liable for payment of the taxes which he was required to withhold to the extent that such taxes have not been recovered from the employee.

(g) Quarterly returns by employers for succeeding years shall be made on or before April 30, July 31, October 31 and January 31 for the previous quarterly periods and tax paid at the time of filing said returns.

SECTION 5.

POWERS AND DUTIES OF COLLECTOR.

- (a) It shall be the duty of the Collector to collect and receive the taxes, fines, and penalties, imposed by the Ordinance. It shall also be his duty to keep a record showing the amount received by him from each person paying the tax and the date of such receipt.
- (b) The Collector is hereby charged with the administration and enforcement of the provisions of this ordinance, and is hereby empowered to prescribe, adopt, promulgate, and enforce rules and regulations relating to any matter pertaining to the

administration and enforcement of this ordinance, including provisions for the reexamination and correction of declarations and returns, and of payments alleged or found to be incorrect, or as to which an overpayment is claimed or found to have occurred, and to prescribe forms necessary for the administration of this ordinance.

(c) The Collector, and agents designated by him, are hereby authorized to examine the books, papers and records of an employer or supposed employer or of any taxpayer or supposed taxpayer, in order to verify the accuracy of any declaration or return, if no declaration was filed to ascertain the tax due. Every employer or supposed employer and every taxpayer or supposed taxpayer is hereby directed and required to give to the Collector or to any agent designated by him, the means, facilities and opportunity for such examinations and investigations as are hereby authorized, including W-2 forms and copy of Income Tax Return.

(d) Any information gained by the Collector, his agents, or by any other official or agent of the Township, as a result of any declarations, returns, investigations, hearings or verifications, required or authorized by this Ordinance shall be confidential except for official purposes and except in accordance with a proper judicial order or as otherwise provided by law.

(e) Any person aggrieved by any action of the Collector shall have the right of appeal as provided by law.

SECTION 6.

SUIT FOR COLLECTION OF TAX.

(a) The Collector may sue in the name of the Township for recovery of taxes due and unpaid under this ordinance.

(b) Any suit brought to recover the tax imposed by this ordinance shall be begun within six (6) years after such tax is due or within three (3) years after a declaration or return has been filed, whichever date is later. Provided, however, that this limitation shall not prevent the institution of a suit for the collection of any tax due or determined to be due in the following cases:

(1) Where no declaration or return was filed by any person although a declaration or return was required to be filed by him under the provisions of this ordinance.

(2) Where an examination of the declaration or return filed by any person or of other evidence relating to such declaration or return in the possession of the Collector reveals a fraudulent evasion of taxes.

(3) Where any person has deducted taxes under the provisions of this ordinance and has filed to pay the amounts so deducted to the Collector, or where any person has willfully failed or omitted to make the deductions required by Section 4 hereof.

(c) In the case of substantial understatement of tax liability of twenty-five (25%) per cent or more, and no fraud, suit shall be begun within six years.

SECTION 7.

INTEREST AND PENALTIES.

If for any reason the tax is not paid when due, interest at the rate of six per centum (6%) per annum on the amount of said tax, and an additional penalty of one-half of one per centum (.005) of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. Where suit is brought for the recovery of any tax, the person liable therefor shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

SECTION 8.

PAYMENT UNDER PROTEST AND REFUNDS.

The Collector is hereby authorized to accept payment under protest of the amount of tax claimed by the Township in any case where any person disputes the validity or amount of the Township's claim for the tax. If it is thereafter judicially determined by a Court of competent jurisdiction that there has been an overpayment to the Collector, the amount of the overpayment, shall be refunded to the person who paid under protest.

SECTION 9.

APPLICABILITY.

The tax imposed by this ordinance shall not apply:

- (a) To any person as to whom it is beyond the legal power of the Township to impose the tax herein provided for under the Constitution of the United States and the Constitution and laws of the Commonwealth of Pennsylvania.
- (b) To institutions or organizations operated for public, religious, educational or charitable purposes, to institutions or organizations not organized or operated for private profit, or to trusts and foundations established for any of the said purposes.

This section shall not be construed to exempt any person who is an employer from the duty of collecting the tax at source from his employees and paying the amount collected to the Collector under the provisions of Section 4 of this ordinance.

SECTION 10.

FINES AND PENALTIES FOR VIOLATION OF ORDINANCE.

- (a) Any person who fails, neglects or refuses to make any declaration or return required by this ordinance, any employer who fails, neglects or refuses to register or to pay the tax deducted from his employees, or fails, neglects or refuses to deduct or withhold the tax from his employees; any person who

refuses to permit the Collector or any agent designated by him to examine his books, records and papers; and any person who makes any incomplete, false or fraudulent return or attempts to do anything whatsoever to avoid the full disclosure of the amount of his net profits or earned income to avoid the payment of the whole or any part of the tax imposed by this ordinance, shall, upon conviction thereof before any Justice of the Peace, Alderman or Magistrate or Court of competent jurisdiction, be sentenced to pay a fine of not more than Five Hundred (\$500.00) Dollars for each offense and costs and in default of payment of said fine and costs to be imprisoned in the Washington County Jail for a period not exceeding thirty (30) days.

(b) Any person who divulges any information which is confidential under the provisions of Section 5 of this ordinance shall, upon conviction thereof before any Justice of the Peace, Alderman or Magistrate or Court of competent jurisdiction, be sentenced to pay a fine of not more than Five Hundred (\$500.00) Dollars for each offense and costs, and, in default of payment of said fine and costs, to be imprisoned in the Washington County Jail for a period not exceeding thirty (30) days.

(c) The penalties imposed under this section shall be in addition to any other penalty imposed by any other section of this ordinance.

(d) The failure of any person to receive or procure the forms required for making the declarations or returns required by this ordinance shall not excuse him from making such declaration or return.

SECTION 11.

All the terms, conditions and provisions of the Local Tax Enabling Act relating to Earned Income Taxes are incorporated herein by reference with the same effect as if same were expressly set forth herein.

SECTION 12.

SEVERABILITY.

The provisions of this ordinance are severable. If any sentence, clause or section of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses or sections, of this ordinance. It is hereby declared to be the intent of the Township that this ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause or section not been included herein.

Enacted the _____ day of _____, 1966.