

TOWNSHIP OF BUFFALO

ORDINANCE NO.: 53 of 2009

AN ORDINANCE OF THE TOWNSHIP OF BUFFALO TO PROVIDE FOR THE GENERAL REVENUE BY LEVYING A TAX IN THE AMOUNT OF FORTY-SEVEN (\$47.00) UPON THE PRIVILEGE OF ENGAGING IN AN OCCUPATION WITHIN THE TOWNSHIP OF BUFFALO WITH SUCH TAX TO BE KNOWN AS THE LOCAL SERVICES TAX TO BE PAID BY EACH INDIVIDUAL EXERCISING SUCH PRIVILEGE; REQUIRING THE FILING OF RETURNS; PLACING UPON EMPLOYERS THE DUTY OF COLLECTING AND REMITTING TAX OWED BY EMPLOYEES; PROVIDING FOR THE ADMINISTRATION AND COLLECTION OF SUCH TAX AND IMPOSING PENALTIES FOR VIOLATION UNDER THE AUTHORITY OF THE LOCAL TAX ENABLING ACT OF 1965, NO. 511, AS AMENDED.

BE IT ORDAINED AND ENACTED by the Supervisors of Buffalo Township, Washington County, Pennsylvania, and it is hereby ORDAINED AND ENACTED under the authority of the Local Tax Enabling Act, No. 511, as amended, and as specifically amended by Act 7 of 2007 as follows:

SECTION 1 Title.

This Ordinance shall be known and may be cited as the Local Services Tax.

SECTION 2 Definitions.

As used in this Ordinance, unless the context indicates clearly a different meaning, the following words shall have the meanings set forth below:

1. "Compensation" shall mean salaries, wages commissions, tips, bonuses, fees, gross receipts, or any other income.
2. "Employer" shall mean any person, partnership, limited partnership, unincorporated association, institution, trust, corporation, governmental agency, or any other body engaged in business or situation in the Township, employing one or more employees engaged in any occupation, other than domestic servants.
3. "Occupation" shall include any livelihood, job, trade, profession, business or enterprise or any kind, service, domestic or other, for which any compensation is received.
4. "Taxpayer" shall mean any natural person liable for the tax levied by this Ordinance.

SECTION 3 Levy.

For general purposes, a tax is hereby levied in the amount of forty-seven (\$47.00) dollars per annum upon the privilege of engaging in an occupation within the Township of Buffalo during the calendar year 2009 from the effective date of this Ordinance, and thereafter without re-enactment by the Board of Supervisors. Such tax shall be referred to as the Local Services Tax (LST). Each natural person who exercises such privilege for any length of time shall pay tax in the amount of in accordance with the provisions of this Ordinance.

SECTION 4 Collection Through Employers.

1. Every employer not registered under the provisions of the Earned Income Tax Ordinance of the Township shall, within thirty (30) days after first becoming an employer, register with the Township Tax Collector or with such other person as shall be designated by Resolution of the Board of Supervisors, the employer's name, address, the names and addresses of Township employees, and such other information as the Tax Collector shall require.
2. As to each taxpayer employed for any length of time each employer shall deduct the tax from compensation payable to the taxpayer, file a return on a form prescribed by the Township Tax Collector on a pro-rata basis according to the number of payroll periods established by the employer for a calendar year. Typically examples of payroll periods established by employers are weekly, bi-weekly, twice per month and/or monthly.
3. All employers with work sites within the Township are required to deduct the LST at the site of employment.
4. Any employer who discontinues business or ceases operation before December 31, of any calendar year shall, within fifteen (15) days after discontinuing business or ceasing operation, file the return hereinabove required and pay the tax to the Tax Collector.
5. The failure of the employer to deduct the tax shall not relieve the employee from the duty to file a return and pay the tax. Any employer who fails to deduct the tax as required by this section, or who fails to pay such tax to the Tax Collector, shall be liable for such tax in full, without deduction of the fee hereinafter provided, as though the tax has originally been levied against such employer.
6.
 - A. Employers are only required to withhold the LST on the payroll period basis for those payroll periods in which the taxpayer is employed.
 - B. When two or more employers employ a taxpayer in a payroll period, an employer is not required to withhold the LST if the taxpayer provides a pay stub from his/her principal employer accompanied by an employee statement of principal employment that the pay stub is from the taxpayer's principal employer and that the taxpayer will notify the employer of any change in employment. Employers are relieved of liability for the tax if they fail to withhold the tax due to incorrect information provided by the taxpayer regarding the taxpayer's principal employer or if the employer complies with

the provisions establishing the collection of the tax on a payroll period basis.

C. Concurrent employment-If a taxpayer has two or more jobs in different political subdivisions during a payroll period, the priority of claim to collect the LST shall be as follows:

- (1) Where the taxpayer maintains his or her principal employment office or is principally employed;
 - (2) Where the taxpayer resides and works;
 - (3) Where the taxpayer is employed that is nearest in miles to the taxpayer's home.
7. Self employed individuals-The tax for self employed individuals shall be pro-rated on a quarterly basis as if their payroll period is a calendar quarter and shall be paid within thirty (30) days of the end of each calendar quarter.
 8. Remittance-Employers shall remit withheld taxes to the tax collector within thirty (30) days after the end of each calendar quarter.
 9. Upfront Exemption-In order to receive an upfront exemption, employees must file an annual upfront exemption form (developed by the Pennsylvania DCED) with tax collector levying the LST and the employee's employer. The exemption certificate will verify that the employee reasonably expects to receive earned income and net profits of less than \$12,000.00 from all sources within the Township for the calendar year for which the exemption certificate is filed. A copy of the employee's last pay stubs or W-2 forms from employment within the Township for the year prior or the calendar year for which the employee is requesting a exemption must be attached to the exemption certificate. Employers must make upfront exemption forms readily available to employees at all times and provide new employees with the forms at the time of hiring.
 10. Suspension of Withholding-Upon receipt of an upfront exemption form and until other wise instructed by the Township imposing the tax, employers must stop withholding the LST for the specific calendar year from employees for whom the exemption applies.
 11. Restoration of Withholding-Employers shall "restart" withholding the LST from an employee who files an exemption certificate in the following circumstances.
 - (1) If instructed to do so by the Township;
 - (2) If notified by the employee that they are no longer eligible for the exemption; or
 - (3) If the employer pays the employee more than \$12,000.00 for the calendar year.

Employers "restart" withholding of the LST by withholding (1) a "catch-up"

Any person who divulges any information which is confidential under the provisions of the Ordinance shall, upon conviction thereof before any district justice or other court of competent jurisdiction, be sentenced to pay a fine of not more than five hundred (\$500.00) for each offense, and costs and in default of payment of said fine and costs, shall be imprisoned for a period not exceeding thirty (30) days.

SECTION 10 Applicability and Severability.

The tax shall not apply to any subject or tax or person not within the taxing power of the Township under the Constitution of the United States and the laws and Constitution of the Commonwealth of Pennsylvania. If a final decision of a court of competent jurisdiction holds any provision to any circumstances, to be illegal or unconstitutional, the other provisions of this Ordinance, or the application of such provision to other circumstances, shall remain in full force and effect. The intention of the Board of Supervisors is that the provisions of this Ordinance shall be severable and that this Ordinance would have been adopted' if any such illegal or unconstitutional provisions had not been included.

SECTION 11 Effective Date.

This Ordinance shall become effective immediately upon passage or as otherwise provided by law.

SECTION 12

This Ordinance is enacted under the authority of the Local Tax Enabling Act of 1965, No. 511, as amended.

ORDAINED AND ENACTED this 1st day of April, 2009.

ATTEST:

Jeri Pinkerton
Secretary

TOWNSHIP OF BUFFALO

James A. Mounts
Chairman, Board of Supervisors

Timothy P. Doman
Board of Supervisors

Lawrence O. Phillips
Board of Supervisors