

**TOWNSHIP OF SCOTT  
ORDINANCE NO. 1572-07**

**AN ORDINANCE OF THE TOWNSHIP OF SCOTT, ALLEGHENY COUNTY, PENNSYLVANIA, AMENDING, RESTATING AND RE-ENACTING PART 3 OF CHAPTER 24 OF THE TOWNSHIP OF SCOTT CODE OF ORDINANCES ("TAXATION, SPECIAL"), TO CONFORM TO ACT 7 OF 2007 OF THE GENERAL ASSEMBLY OF PENNSYLVANIA AND TO LEVY A LOCAL SERVICES TAX IN THE AMOUNT OF \$52 TO BE COLLECTED IN INCREMENTS AND TO ESTABLISH EXEMPTIONS, GUIDELINES AND REGULATIONS FOR THE COLLECTION THEREOF.**

**WHEREAS**, the Township of Scott has adopted an ordinance, codified at Chapter 24, Part 3 of the Scott Township Code, levying the Emergency and Municipal Services Tax, as authorized by Act 222 of 2004, which amended Act 511 of 1965 ("The Local Tax Enabling Act") to levy, assess and collect a tax on individuals for the privilege of engaging in an occupation within the Township; and

**WHEREAS**, on June 21, 2007, the Governor approved Act 7 of 2007 ("Act 7"), further amending Act 511 of 1965 by changing the name of the Emergency and Municipal Services Tax to the "Local Services Tax" and mandating an income-based exemption and military exemptions from the tax, and modifying the withholding and collection provisions; and

**WHEREAS**, the Township seeks to amend, restate and re-enact Chapter 24, Part 3, of the Scott Township Code to conform to Act 7.

**NOW, THEREFORE**, the Township of Scott Board of Commissioners hereby ordains as follows:

**SECTION 1:** Part 3, Chapter 24 of the Scott Township Code of Ordinances, ("Taxation, Special"), is amended, restated and re-enacted to read as follows:

**PART 3  
LOCAL SERVICES TAX**

**§301. Title.** This Part shall be known and may be cited as the "Local Services Tax Ordinance."

**§302. Definitions.** As used in this Part, the following words and phrases shall have the meanings prescribed to them in this Section, except where the context or language clearly indicates or requires a different meaning:

**TOWNSHIP** - the Township of Scott.

**COLLECTOR** — the person, persons, public or private agency, association and/or corporate entity designated by the Township Commissioners to collect the tax and to carry out and administer the provisions of this Part.

**COMPENSATION** — salaries, wages, commissions, tips, bonuses, fees, gross receipts or any other income.

**EARNED INCOME AND NET PROFITS** --- shall have the same meaning as those terms are given in Section 13 of the Local Tax Enabling Act, Act 511 of 1965 (53 P.S. § 6313).

**EMERGENCY SERVICES** --- emergency services, which shall include emergency medical services, police services and/or fire services.

**EMPLOYER** — any person, partnership, limited partnership, unincorporated association, institution, trust, corporation, governmental agency, or any other body engaged in business or situated in the Township employing one or more employees engaged in any occupation, other than domestic servants.

**EXEMPTION CERTIFICATE** --- an exemption certificate substantially in the form of the uniform certificate prescribed by the Pennsylvania Department of Community and Economic Development affirming that the person reasonably expects to receive Earned Income and Net Profits from all sources within the Township of less than twelve thousand dollars (\$12,000) in the calendar year for which the Exemption Certificate is filed, which Exemption Certificate has attached to it a copy of all of the employee's last pay stubs or W-2 forms from employment within the Township for the year prior to the fiscal year for which the employee is requesting to be exempted from the Tax.

**LOCAL SERVICES** --- Emergency Services; road construction and/or maintenance; reduction of property taxes; and property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S. Chapter 85 Subch. F.

**OCCUPATION** — any livelihood, job, trade, profession, business or enterprise of any kind, including services, domestic or other, for which any Compensation is received or charged.

**TAX** — the tax imposed by this Part.

**TAXPAYER** — any natural person liable for the tax levied by this Part.

**§303. Levy.** For Local Services purposes, a Tax is hereby levied upon the privilege of engaging in an Occupation within the Township. Each natural person who exercises such privilege for any length of time in any year shall be assessed and shall pay the Tax in the amount equal to the pro rata share of the annual amount of fifty-two dollars (\$52) in accordance with the provisions of this Part, subject to the exemptions set forth in §304 of this chapter.

Any tax validly imposed by any school district on the privilege of engaging in an Occupation within the Township in accordance with Act 7 shall be deducted from the amount of the Tax imposed by this Ordinance.

**§304. Exemptions.** The Tax levied by §303 shall not be imposed upon the following persons:

1. Any person who served in any war or armed conflict in which the United States was engaged and is honorably discharged or released under honorable circumstances from active service if, as a result of military service, the person is blind, paraplegic or a double or quadruple amputee or has a service-connected disability declared by the United States Veterans' Administration or its successor to be a total one hundred percent permanent disability.
2. Any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year. For purposes of this subsection, "reserve component of the armed forces" shall mean the United States Army Reserve, United States Navy Reserve, United States Marine Corps Reserve, United States Coast Guard Reserve, United States Air Force Reserve, the Pennsylvania Army National Guard or the Pennsylvania Air National Guard.
3. Any natural person whose total Earned Income and Net Profits from all sources within the Township during the taxable year is less than twelve thousand dollars (\$12,000).

**§305. Collection Through Employers.**

1. Every Employer shall, within fifteen (15) days after the effective date of this Part or within 15 days of first becoming an Employer thereafter, register with the Collector the Employer's name, address and such other information as the Collector may require.
2. As to each Taxpayer employed for any length of time during any payroll period of an Employer during the calendar year, each Employer shall deduct a pro rata share of the Tax from Compensation payable to the Taxpayer with respect to such payroll period. The pro rata share of the Tax assessed on a Taxpayer for a payroll period shall be determined by dividing the rate of the Tax levied for the calendar year by the number of payroll periods established by the Employer for the calendar year. For purposes of determining the pro rata share of the Tax, an Employer shall round down the amount of Tax deducted for each payroll period to the nearest one-hundredth of a dollar. Each Employer shall file a return on a form prescribed by the Collector, and pay the Collector the full amount of all such Taxes deducted during a calendar quarter within 30 days after the end of the calendar quarter.
3. Any Employer who discontinues business or ceases operation before December 31 of any year shall, within fifteen (15) days after discontinuing business or ceasing operation, file the return hereinabove required and pay the Tax to the Collector.

4. The failure of any 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 Collector, shall be liable for such Tax in full, as though the Tax had originally been levied against such Employer. No Employer shall be liable for failure to deduct the Tax if the failure to deduct the Tax arises from incorrect information submitted by the employee as to the employee's place or places of employment, the employee's principal office or where the employee is principally employed.
5. The Employer shall not deduct the Tax but shall maintain adequate records concerning the employees in the cases described in §305(5)(A) and §305(5)(B).
  - A. In the case of concurrent employment, if the employee provides (a) a recent pay statement from a principal employer that includes (i) the name of the employer, (ii) the length of the payroll period and (iii) the amount of the Tax deducted and (b) a statement from the employee that (i) the pay statement is from the employee's principal employer and (ii) that the employee will notify other employers of a change in the principal place of employment within two weeks of its occurrence.
  - B. In the case of an employee claiming the exemption set forth at §304(3), if (a) the employee has provided an Exemption Certificate to the Employer, (b) the Collector has not otherwise instructed the Employer, (c) the Employer has not received notification from the person who claimed the exemption or from the Collector that the person has received Earned Income and Net Profits from all sources within the Township equal to or in excess of twelve thousand dollars (\$12,000) in that calendar year or that the person is otherwise ineligible for the Tax exemption for that calendar year, and (d) the Employer has not paid to the person Earned Income within the Township in an amount equal to or in excess of twelve thousand dollars (\$12,000) in that calendar year.
  - C. The Employer shall file with the Collector a copy of each Exemption Certificate, including attachments, received by the Employer no later than the end of the first payroll period as to which the employee claims the exemption set forth at §304(3).
  - D. If a person has claimed the exemption under §304(3) for a given calendar year from the Tax but either (a) the Employer has received notification from the person who claimed the exemption or from the Collector that the person has received Earned Income and Net Profits from all sources within the Township equal to or in excess of twelve thousand dollars (\$12,000) in that calendar year or that the person is otherwise ineligible for the Tax exemption for that calendar year, or (b) the Employer has paid to the person Earned Income within the Township in an amount equal to or in excess of twelve thousand dollars (\$12,000) in that calendar year, then the Employer shall withhold the Tax for the remainder of that calendar year and the Employer shall withhold from the person, for the first payroll period after receipt of the notification described in clause (a) above or for the first payroll period after payments described in clause (b) above have been made, a lump

sum equal to the amount of Tax that was not withheld from the person due to the exemption claimed by the person, plus the per payroll amount due for that first payroll period. The amount of tax withheld per payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. In the event the employment of a person subject to withholding of the tax under this §305(5)(D) is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of Tax due and the Collector may pursue collection under this Part.

- E. Each Employer shall ensure that Exemption Certificate forms are readily available to employees at all times and shall furnish each new employee with an Exemption Certificate form at the time of hiring.
- F. A person seeking exemption from the Tax under §304(3) must annually file an Exemption Certificate with the Collector.

**§306. Direct Payment By Taxpayers.** Every Taxpayer who is self-employed, or whose Tax for any other reason is not collected under §305 of this chapter, shall file a return on a form prescribed by the Collector and shall pay a pro rata share of the Tax directly to the Collector within 30 days after the end of each calendar quarter. The pro rata share of the Tax assessed on a Taxpayer for a calendar quarter shall be determined by dividing the rate of the Tax levied for the calendar year by four.

**§307. Non-Resident Taxpayers.** Both resident and nonresident Taxpayers shall, by virtue of engaging in an Occupation within the Township, be subject to the Tax and the provisions of this Part.

**§308. Administration and Enforcement.** The Collector, on behalf of the Township, shall collect and receive the Taxes, interest, fines and penalties imposed by this Part, and shall maintain records showing interest, fines and penalties imposed by this Part, and shall maintain records showing the amounts received and the dates such amounts were received. The Collector shall prescribe and issue all forms necessary for the administration of the Tax and may adopt and enforce regulations relating to any matter pertaining to the administration of this Part, including, but not limited to, requirements for collection through Employers, requirements for evidence and records, and provisions for the examination and correction of returns. The Collector and agents designated by him may examine the records of any Employer or supposed Employer or of any Taxpayer or supposed Taxpayer in order to ascertain the Tax due or verify the accuracy of any return. Every Employer or supposed Employer and every Taxpayer or supposed Taxpayer shall give the Collector and any agent designated by him all means, facilities and opportunity for the examinations hereby authorized.

**§309. Collections.** The Collector shall collect, by suit or otherwise, all Taxes, interest, costs, fines and penalties due under this Part and unpaid. If for any reason any Tax is not paid when due, interest at the rate of six percent (6%) per year on the amount of unpaid Tax and an additional penalty of one-half of one percent (1/2 of 1%) of the amount of unpaid Tax, for each month or fraction of month during which the Tax remains unpaid, shall be added and collected. Whenever suit is brought for the recovery of unpaid Tax, the Taxpayer shall, in addition, be liable for the costs of collection as well as for interest and penalties. The Collector may accept payment under protest of the Tax

claimed by the Township in any case where any person disputes the Township's claim for the Tax. If a court of competent jurisdiction thereafter decides that there has been overpayment to the Collector, the Collector shall refund the amount of the overpayment to the person who paid under protest.

**§310. Situs of Tax For Individuals Engaged in More Than One Occupation or Employed in More Than One Political Subdivision.** The situs of the tax shall be the place of employment on the first day the person becomes subject to the tax during each payroll period. In the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires the person working in more than one political subdivision during a payroll period, the priority of claim to collect the Tax shall be in the following order: (a) first, the political subdivision in which a person maintains his or her principal office or is principally employed; (b) second, the political subdivision in which the person resides and works if the tax is levied by that political subdivision; (c) third, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home. In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment constitutes prima facie certification of payment to all other political subdivisions.

**§311. Violations and Penalties.**

1. Any person, firm or corporation or entity who violates a provision of this Part, or who fails to comply therewith, or with any of the requirements thereof, shall, upon being found liable therefore in a civil enforcement proceeding commenced by the Township, pay a civil penalty of not less than \$100 nor more than \$600 for each violation, plus costs and reasonable attorney fees incurred by the Township in the enforcement proceedings. The civil enforcement proceeding shall be initiated by complaint or by such other means as may be provided by the Pennsylvania Rules of Civil Procedure.
2. A separate offense shall arise for each day or portion thereof in which a violation is found to exist or for each Section of this Part found to have been violated. All fines and penalties collected for violation of this Part shall be paid to the Township Treasurer.
3. The Township may also commence appropriate actions in equity, at law or other to prevent, restrain, correct, enjoin, or abate violations of this Part.
4. The initial determination of a violation of this Part and the service of notice of violation are hereby delegated to the Township Manager, the Collector and their designees and to any other officer or agent that the Township Manager or Township Board of Commissioners shall deem appropriate.

**§312. Refunds.** Any person who has overpaid the Tax may obtain a refund by making a written application for a refund to the Collector no later than one (1) year after payment of the Tax or three (3) years after the due date for payment of the Tax, whichever is later, and satisfactorily proves to the Collector that he is entitled to the refund. Refunds made within seventy-five (75) days of a refund request or seventy-five (75) days after the last day the Employer is required to remit the Tax to the Collector for the last quarter of the calendar year, whichever is later, shall not be subject to interest imposed under 53

Pa.C.S. § 8426. A refund shall be provided only for an amount overpaid in a calendar year that exceeds one dollar (\$1).

**§313. Receipt.** The Collector shall provide a Taxpayer a receipt of payment of the Tax upon request by the Taxpayer.

**§314. Applicability.** The Tax shall not apply to any subject of Tax or person not within the taxing power of the Township under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.

**§315. Duration.** This Part shall continue in force from year to year without annual reenactment.

**§316. Use Of Funds Restricted.** The Township's use of the funds derived from the Tax shall be limited to Local Services. No less than twenty-five percent (25%) of the funds shall be used for Emergency Services.

**§317. Repealer.** Except as set forth hereafter, all ordinances or parts of ordinances inconsistent herewith are hereby repealed. Nothing herein shall be construed to repeal the imposition and collection of an occupation privilege tax, plus applicable penalties and interest, for calendar year 2005 and all prior calendar years, or of an emergency and municipal services tax, plus applicable penalties and interest, for calendar years 2006 and 2007, as the same exist prior to this amendment.

**SECTION 2:** This Ordinance is enacted under the authority of Act 511 of 1965, as amended, known as "The Local Tax Enabling Act."

**SECTION 3:** All prior ordinances, including but not limited to Ordinance 1550-05 (1/25/05) and Part 3 of Chapter 24 as previously adopted, are hereby repealed in whole or in part to the extent inconsistent herewith.

**SECTION 4:** This Ordinance shall take effect with respect to the calendar year 2008 and each year thereafter.

**ORDAINED** and **ENACTED** this 27th day of November, 2007, by the Board of Commissioners of the Township of Scott.

**ATTEST:**

**TOWNSHIP OF SCOTT**

\_\_\_\_\_  
Denise Fitzgerald  
Township Manager

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President, Board of Commissioners

**Approved as to form**

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Solicitor