

EARNED INCOME TAX ORDINANCE
of the
BOARD OF SUPERVISORS OF THE TOWNSHIP OF MT. PLEASANT
COUNTY OF COLUMBIA, AND STATE OF PENNSYLVANIA

ORDINANCE NO. 1-1965

Imposing a tax for general revenue purposes on salaries, wages, commissions and other compensation earned during the period beginning March 15, 1965, and ending December 31, 1965, by residents of the Township of Mt. Pleasant, and on salaries, wages, commissions and other compensation earned during said period by non-residents of the Township of Mt. Pleasant, and on the net profits earned during said period from businesses, professionals or other activities conducted by residents of the Township of Mt. Pleasant, and on the net profits earned during said period from business, professions or other activities conducted in the Township of Mt. Pleasant by 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 violations thereof.

BE IT ORDAINED AND ENACTED BY THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF MT. PLEASANT, COLUMBIA COUNTY, PENNSYLVANIA, AND IT IS HEREBY ORDAINED UNDER THE AUTHORITY OF THE ACT OF GENERAL ASSEMBLY APPROVED THE 25TH DAY OF JUNE, 1947, P. L. 1145, AS AMENDED AS FOLLOWS:

SECTION I

SHORT TITLE AND EFFECTIVE DATE

This ordinance shall be known as the "Earned Income Tax Ordinance". The provisions hereof shall become effective on the 15th day of March, 1965.

SECTION II
DEFINITIONS

The following words and phrases when used in this ordinance, including the various portions of this section thereof, shall have the meanings ascribed to them in this section, except where the context clearly indicates or requires a different meaning.

"ASSOCIATION" – partnership, limited partnership, or any other unincorporated group of two or more persons.

"BUSINESS" – An enterprise, activity, profession, or undertaking of any nature conducted for profit, whether by an individual, fiduciary association, corporation or any other entity, alone or in association with some other person or persons.

"CORPORATION" – A corporation or joint stock association organized under the laws of the United States, the Commonwealth of Pennsylvania, or any other State, Territory, foreign country or dependency.

"EARNINGS" – Salaries, wages, commission and other compensation as defined in this ordinance.

"EMPLOYER" – An individual, fiduciary, association, corporation, governmental body or unit or agency, or any other entity employing one or more persons on a salary, wage, commission or any other compensation basis.

"INCOME TAX ADMINISTRATOR" – The person designated by the Board of Supervisors of Mt. Pleasant Township to administer the provisions of the Earned Income Tax Ordinance.

“NET PROFITS” – The net income from the operation of a business, or other activity, 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 or other activity, but without deduction of taxes, federal, state, or local, based on income.

“NON-RESIDENT” – An individual, partnership, association or other entity domiciled outside the Township of Mt. Pleasant.

“PERSON” – An individual, fiduciary, association, partnership, corporation or other entity. Whenever used in any section prescribing and imposing a penalty, the term “PERSON” as applied to associations, shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

“RESIDENT” – An individual, partnership, association, or other entity domiciled in the Township of Mt. Pleasant.

“SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION” – Salaries, wages, commissions, bonuses, incentive payments, fees and tips that may accrue or be received by an individual for services rendered whether directly or through an agent and whether in cash or in property; not including periodic payments for sick or disability benefits and those 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 public assistance or unemployment compensation payments made by any governmental agency or any wages or compensation paid by the United States to any person for active service in the Army, Navy or Air Force of the United States or any bonus or additional compensation paid by the United States or the Commonwealth of Pennsylvania or any other state for such service.

“TAXABLE” – Subject to the tax imposed by this ordinance.

“TAXPAYER” – A person, whether an individual, partnership, association, or any other entity, required hereunder to file a return of earnings or net profits, or to pay a tax thereon. The singular shall include the plural and the masculine shall include the feminine and the neuter.

SECTION III IMPOSITION OF TAX

A tax for general revenue purposes of one (1%) per cent is hereby imposed on the following:

- a) Salaries, wages, commissions and other compensation earned on and after March 15, 1965, by individual residents of the Township of Mt. Pleasant.
- b) Salaries, wages, commissions and other compensation earned on and after March 15, 1965, by individual non-residents of the Township of Mt. Pleasant.
- c) Net profits, earned on and after March 15, 1965, by residents of the Township of Mt. Pleasant ,
and
- d) Net profits, earned on and after March 15, 1965, in the Township of Mt. Pleasant, by non-residents of the Township of Mt. Pleasant.

The tax levied under a) and b) hereby shall relate to and be imposed upon salaries, wages, commissions and other compensation paid by an employer or on his behalf to a person who is employed by him. The tax levied under c) and d) herein shall relate to and be imposed upon the net profits of any business, profession, or other activity carried on by any person or persons.

Every corporation which is subject to the Pennsylvania Corporate Net Income Tax or exempt from the Pennsylvania Corporate Net Income Tax and every foreign corporation which is subject to the Pennsylvania Franchise Tax or exempt from the Pennsylvania Franchise Tax, shall be exempt from the tax imposed by this ordinance.

The tax levied by this ordinance, shall be applicable to salaries, wages, commissions and other compensation and to net profits earned in the period beginning March 15, 1965, and ending December 31, 1965.

SECTION IV
DECLARATION AND PAYMENT OF TAX

a. Every taxpayer who can reasonably be expected to earn taxable net profits during the taxable period or who is employed on a salary, wage, or commission or other compensation basis and can reasonably be expected to earn during the taxable period, taxable earning not subject to the provisions of Section 5 of this Ordinance relating to collection at source, shall make and file with the Income Tax Administrator on or before April 15, 1965, on a form prescribed by the Income Tax Administrator, a declaration of the estimated tax imposed thereon by this and such other relevant information as the Income Tax Administrator may require.

b. Every taxpayer who, during the year 1965, can reasonably be expected to earn taxable net profits during the taxable period, or who is employed on a salary, wage, commission or other compensation basis and can reasonably be expected to earn, during the taxable period, taxable earnings not subject to the provisions of Section 5 of this Ordinance relating to collection at source, and who could not reasonably know on or before April 15, 1965, that he could be expected to earn such net profits or earnings during the year, shall make and file on or before July 15, 1965, October 15, 1965, or January 15, 1966, whichever of these dates next follows the date on which such taxpayer could first reasonably be expected to earn such net profit or earnings during the taxable period, a declaration similar to that requires under the immediate preceding paragraph, Section 4 a.

c. The taxpayer making the declaration required hereinabove by Section 4 a shall, at the time of filing thereof pay to the Income Tax Administrator on behalf of the Township, the estimated tax shown as due thereon. Provided, however, that he shall have the right to pay the same in four equal installments, the first payment to be made with the filing of the declaration and the remaining payments to be made on or before July 15, 1965, October 15, 1965, and January 15, 1966.

d. The taxpayer making the declaration required hereinabove by Section 4 b shall, at the time of the filing thereof, pay to the Income Tax Administrator on behalf of the Township the estimated tax shown as due thereon. Provided, however, if said declaration is filed subsequent to April 15, 1965, and on or before July 15, 1965, he shall have the right to pay one-third the tax thereof on the date of filing and the balance in two equal installments on October 15, 1965, and January 15, 1966; if such declaration is filed subsequent to July 15, 1965, and on or before October 15, 1965, he shall have the right to pay one-half the tax with the filing of the declaration and the balance on or before January 15, 1966; and if such declaration is filed subsequent to October 15, 1965, and on or before January 15, 1966, the whole of said estimated tax shall be paid with the filing of the declaration.

e. Where the taxpayer who has filed a declaration required hereinabove, shall thereafter reasonably be expected to earn during the taxable period, additional taxable net profits or earnings not subject to collection at source, or finds that he has overestimated his net profits or earnings, he may file an amended declaration with the Income Tax Administrator setting forth such relevant information as the Income Tax Administrator may require.

f. Every taxpayer who, during the taxable period, has earned taxable net profits or who has received taxable earnings, shall make and file with the Income Tax Administrator, on a form prescribed by the Income Tax Administrator, on or before the 15th day of April, 1966, a final return showing all such net profits and earnings during the taxable period, the total amount of tax due thereon, the amount of the estimated tax paid under the provisions of this Section, the amount of the tax that has been withheld pursuant to the provisions of Section 5 of this Ordinance and the balance of the tax due.

g. When the taxpayer's return of net profits or net earnings is made on a fiscal year basis, differing from the calendar year, the final return for such portion of the fiscal year as shall come within the calendar year, shall be made and filed with the Income Tax Administrator on or before the 15th day of the fourth month after the end of such fiscal year, and the fiscal return for the calendar year shall be made and filed with the Income Tax Administrator on or before the 15th day of April, 1966.

h. The percentage of the total net profits of any fiscal year of a taxpayer beginning or ending within the taxable year to which the tax imposed by this Ordinance shall be applicable shall be equal to the same percentage of such total net profits as the number of days in such calendar year.

i. At the time of filing the final return, the taxpayer shall pay the balance of the tax due or shall make demand for refund or credit in the case of overpayment.

j. In the event of the death of taxpayer during the taxable period, his personal representative, or in the absence of a personal representative, his heirs as designated by the Pennsylvania Intestate Act of 1947, as amended, or as hereinafter amended or supplemented, shall file his final return within ninety (90) days after the taxpayer's death and pay the tax due or demand refund in the case of overpayment.

k. In the event that this or a similar Earned Income Tax Ordinance shall not be re-enacted for a like taxable period immediately following the taxable year 1965, then every taxpayer shall file a final return on or before the 15th day of April, 1966.

l. Declaration of estimated tax required by the preceding paragraphs shall not be required from individuals whose estimated gross income from farming for the taxable year is at least two-thirds (2/3) of the total estimated gross income from all sources for the taxable year.

SECTION V COLLECTION AT SOURCE

a) Every employer within the Township of Mt. Pleasant who employs one or more employees on a salary, wage, commission or other compensation, shall deduct at the time of the payment thereof, the tax imposed by this Ordinance on the earnings due to his employee or employees and within thirty (30) days after April 15, 1965, and within thirty (30) days after each quarter of a year thereafter, shall make and file a return with the Income Tax Administrator on a form prescribed by the Income Tax Administrator, setting forth the taxes so deducted and such other relevant information as the Income Tax Administrator may require, and shall pay to the Income Tax Administrator on behalf of the Township of Mt. Pleasant the amount of taxes so deducted.

b) On or before the 15th day of April, 1966, every such employer shall make and file with the Income Tax Administrator:

1. A return similar to form W-3 of the Internal Revenue Service of the United States Treasury Department showing the total amount of the earnings of his employees during the portion of the preceding calendar year embraced within the taxable period, the total amount of tax deducted and the total amount of tax paid to the Township.

2. A return for each employee similar to form W-2 of the Internal Revenue Service of the United States Treasury Department, showing the total amount of the employee's earnings during the preceding taxable year, and such other relevant information as the Income Tax Administrator may require. Such employer on or before April 15, 1966, shall furnish a copy of such return to the employee named in the return.

(c) Every employer who discontinues business prior to the close of the taxable year shall, within thirty (30) days after the discontinuance of business, file the returns hereinabove required and pay the tax due. Where discontinuance of business is due to the death of the employer, his personal representative, or in the absence of a personal representative, his heirs, as designated by the Pennsylvania Intestate Act of 1947, as amended, or as hereafter amended or supplemented, shall within ninety (90) days after the death of the employer file his return and pay the tax due or demand refund in the case of an overpayment.

(d) 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.

(e) If an employer makes a deduction of tax as required by this Section, the amount deducted shall constitute in the hands of such employer a trust fund held for the account of the Township as beneficial owner thereof and the employee from whose earnings such tax was deducted shall be deemed to have paid such tax.

(f) The withholding of earnings and the payment and return thereof by the employer under the provisions of this Section shall not be required in respect to earnings of domestic servants, farm labor and casual labor not in the course of the employer's business. This paragraph shall not be construed to exempt such employees from the requirements of filing a declaration and a return of such earnings and the payment of tax thereon under the provisions of Section 4.

SECTION VI POWERS AND DUTIES OF THE INCOME TAX ADMINISTRATOR

(a) It shall be the duty of the Income Tax Administrator to collect and receive the taxes, fines and penalties imposed by this Ordinance. It shall also be his duty to keep a record showing the amount received by him from each person paying the tax and, if paid by such person in respect of another person, the name of such other person, and the date of such receipt.

(b) The Income Tax Administrator shall account monthly to the Township the amount of money received by him and shall monthly pay over to the Township the money so received.

(c) The Income Tax Administrator is hereby charged with the administration and enforcement of the provisions of this Ordinance, and is hereby empowered, subject to approval by those responsible for his appointment, 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 re-examination and correction of declarations and of 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.

(d) The Income Tax Administrator, and agents designated in writing by him are hereby authorized to examine the books, papers and records of any person in order to verify the accuracy of any declaration or return, or if no declaration or return was filed, to ascertain the tax due. Every person is hereby directed and required to give to the Income Tax Administrator or to any agent so designated by him, the means, facilities and opportunity for such examinations and investigations as are hereby authorized.

(e) Any information gained by the Income Tax Administrator, his agents, or by any other official~ agent or employee of the Township as a result of any declarations, returns, investigations, hearings or verifications required or authorized by this Ordinance shall be confidential and shall not be disclosed to any person except for official use in connection with the administration or enforcement of this Ordinance or as otherwise provided by Law.

(f) Any person. aggrieved by any action of the Income Tax Administrator shall have the right of appeal as provided by Law.

SECTION VII SUIT FOR COLLECTION OF TAX

(a) The Income Tax Administrator may sue in the name of the Township of MT. PLEASANT for the 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 six (6) 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.

(1) In the case of a false or fraudulent declaration or return with the intent to evade tax.

(3) Where any person has deducted taxes under the provisions of this Ordinance and has failed to pay the amounts so deducted to the Township of Mt. Pleasant.

SECTION VIII INTEREST AND PENALTIES

If for any reason the tax is not paid when due, interest at the rate of six (6) per cent per annum on the amount of said tax and an additional penalty of one-half of one (.5) per cent 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 such tax, the person liable therefore shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

SECTION IX PAYMENTS AND REFUNDS

The Income Tax Administrator is hereby authorized to accept payment 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 Income Tax Officer, the amount of the overpayment shall be refunded to the person who paid; in which event there shall be repaid to the Township by the Income Tax Administrator any commissions or fees which have been received for the collection of the amount refunded.

SECTION X 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 and Laws of the Commonwealth of Pennsylvania.

(b) To any institution or organization operated for public, religious, education, or charitable purposes, to any institution or organization not organized or operated for private profit or to a trust or a foundation established for any of the said purposes.

(c) To the net profits of any corporation which is subject to the Pennsylvania Corporate Net Income Tax or exempt from the Pennsylvania Corporate Net Income Tax, and any foreign corporation which is subject to the Pennsylvania Franchise Tax or exempt from the Pennsylvania Franchise Tax.

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 Township under the provisions of Section 5 of this Ordinance.

SECTION XI FINE AND PENALTIES FOR VIOLATION OF ORDINANCE

(a) Any person who fails, neglects, or refuses to keep the necessary records and supply the information required by this Ordinance or the rules and regulations pertaining thereto, to make any declaration or return required by this Ordinance: any employer who fails, neglects or refuses to deduct and/or to pay the tax deducted from his employees; any person who refuses to permit the Income Tax Administrator or any agent properly designated by him to examine his books, records, and papers and any person who makes any incomplete, false or fraudulent return to avoid the payment of the whole or any part of the tax imposed by this Ordinance, shall upon conviction thereof in a summary proceeding before any alderman or justice of the peace, be sentenced to pay a fine of not more than Three Hundred (\$300.00) Dollars for each offense and costs, and in default of payment of said fine and costs, to be imprisoned in the Columbia County Jail for a period not exceeding ninety (90) days.

(b) Any person who, except as permitted by the provisions of Section 6, subsection (d) of this Ordinance, divulges any information which is confidential under the provisions of said subsection shall upon conviction thereof before any alderman or Justice of the Peace, be sentenced to pay a fine of not more than Three Hundred (\$300.00) Dollars for each offense and costs, and, in default of payment of said fine and costs, to be imprisoned in the Columbia County Jail for a period of not exceeding ninety (90) 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 any declaration or return required by this Ordinance shall not excuse him from making such declaration or return.

SECTION XII 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 Board of Supervisors of the Township of Mt. Pleasant that this ordinance would have been adopted had such unconstitutional, illegal, or invalid sentence, clause or section not been included herein.

SECTION XIII

This ordinance shall go into effect March 15, 1965.

Enacted into an Ordinance this 2nd day of February, 1965.

TOWNSHIP OF MT. PLEASANT
BOARD OF SUPERVISORS

Paul H. Kindt

Leon Strausser

Carl McWilliams

ATTEST:

Boyd C. Laycock, Jr.
Secretary