

**WEST MEAD TOWNSHIP
CRAWFORD COUNTY, PENNSYLVANIA
ORDINANCE NO. 2018 - 1**

AN ORDINANCE OF WEST MEAD TOWNSHIP TO LEVY, ASSESS AND COLLECT A TAX ON THE PRIVILEGE OF ENGAGING IN AN OCCUPATION WITHIN WEST MEAD TOWNSHIP TO BE KNOWN AS THE LOCAL SERVICES TAX FOR THE YEAR 2019 AND EACH YEAR THEREAFTER, AND TO PROVIDE FOR ADMINISTRATION AND ENFORCEMENT IN ACCORD WITH THE LOCAL TAX ENABLING ACT.

Whereas, the Pennsylvania Local Tax Enabling Act, as amended by Act 7 of 2007, Act 32 of 2008, and other legislative amendments, authorizes local governments to levy and collect a tax on the privilege of engaging in an occupation in the Township, which tax is known and referred to as the Local Services Tax.

Whereas, the Board of Supervisors of West Mead Township finds that imposition of this tax will provide revenues for governmental purposes that will benefit the businesses and residents of West Mead Township, and accordingly enacts this Ordinance in accordance with the provisions of the Local Tax Enabling Act to levy and collect this tax on income of persons engaged in an occupation in the Township, for purposes of use for governmental functions permitted by the Act.

Be It Ordained and Enacted by the Board of Supervisors of West Mead Township, Crawford County, Pennsylvania, and it is hereby enacted and ordained by and with the authority thereof as follows:

Section 1. Levy of Tax. A tax known and referred to under Pennsylvania's Local Tax Enabling Act as the Local Services Tax, or by such other name as shall be designated by Pennsylvania legislature, is hereby levied upon the privilege of engaging in an occupation within the Township of West Mead beginning January 1, 2019, for the year 2019 and each year thereafter. Each person who exercises such privilege during 2019 and during any calendar year thereafter for any length of time during said year shall pay a tax in the amount of \$52.00 in accordance with the provisions of this Ordinance and the applicable provisions of the Local Tax Enabling Act. This tax is in addition to all other taxes of any kind or nature heretofore levied by West Mead Township. This tax is hereby levied for every calendar year hereafter without annual reenactment of an ordinance.

Section 2. Authority for Tax. This tax is levied under the authority of the Local Tax Enabling Act, as amended and as same has been and may be further amended.

Section 3. Use of Tax Revenues. Funds derived from the Local Services Tax will be used for the following purposes or such other purposes as may be permitted by law, all in accordance with the requirements of the Local Tax Enabling Act:

- a. Emergency Services, including police and fire services and emergency medical services.
- b. Road construction and maintenance.
- c. Reduction of Property Taxes.

Section 4. Definitions. The following words and phrases when used in this section shall have the meaning ascribed to them in this section, or in the applicable sections of the Local Tax Enabling Act, except when the context or language indicates or requires a different meaning:

- a. *Employer.* A person, partnership, association, corporation, institution, governmental body, agency or other entity employing one or more persons on a salary, wage, commission or other compensation basis, including a self-employed person.
- b. *Local Tax Enabling Act.* Act 511 of December 31, 1965, P.L. 1257, as amended by Act 7 of June 21, 2007 and Act 32 of 2008, and as further amended, currently found at 53 P.S. § 6924.101, *et seq.*
- c. *Occupation.* Any livelihood, job, trade, profession, business or undertaking of any type, kind or character, including services, domestic or otherwise, carried on or performed for which compensation is charged or received, whether by means of salary, wages, commission or other form of compensation for services rendered.
- d. *Person.* A natural person.
- e. *Tax Collector or Tax Officer.* The person or persons designated by the Township Board of Supervisors to administer and collect the tax hereby levied and to enforce the provisions of this Ordinance.
- f. *Local Services Tax or Tax.* A tax on individuals or persons for the privilege of engaging in an occupation that is levied, assessed and collected only by the political subdivision of the taxpayer's place of employment as authorized by the Local Tax Enabling Act. This term shall also include any other names designated by the Pennsylvania legislature for this tax.
- g. *Taxpayer.* A person required to pay the tax levied under the authority of this Ordinance.
- h. *Township.* When used to describe the local government, it shall mean and refer to the Board of Supervisors of West Mead Township. When used to describe the territory, it shall mean the area within the corporate limits of West Mead Township.

Words used in the present tense include the future tense; the singular number includes the plural, the plural number includes the singular; words of masculine gender include feminine gender; and words of feminine gender include masculine gender.

Section 5. Duty of Employer. Each Employer located in the Township and each Employer who engages in business in the Township is required and has the duty, in accordance with the requirements and provisions of this Ordinance, the Local Tax Enabling Act, and any applicable rules and regulations:

- a. To collect the Local Services Tax from each person employed by Employer and engaged in an occupation for Employer in the Township. For this purpose, Employer is authorized to deduct/withhold this tax from the Employee's compensation.
- b. To prepare and file a return showing the tax collected and being paid to the Township for each Employee subject to the tax. The return form shall be the form provided by the Township or as otherwise found acceptable by the Township.
- c. To remit and pay the tax to the Township thirty (30) days after the end of each quarter of the calendar year.

Section 6. Self-Employed Person. Persons engaging in an occupation in the Township, who are self-employed, are required and have the duty to report and pay the Local Services Tax to the Township in the same manner as an Employer under this Ordinance and the Local Tax Enabling Act and applicable rules and regulations.

Section 7. When Tax is Due. The Local Services Tax levied under this Ordinance shall be collected on the basis of each payroll period in which the person is engaged in an occupation in the Township, as set forth in the Local Tax Enabling Act and below:

- a. A persons subject to the Local Services Tax shall be assessed a *pro rata* share of the tax for each payroll period in which the person is engaging in an occupation in the Township. The *pro rata* share of the tax assessed on the person for a payroll period shall be determined by dividing the combined rate of the local services tax levied for the calendar year by the number of payroll periods established by the employer for the calendar year in accord with the provisions of the Local Tax Enabling Act.
- b. 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.

Section 8. More Than One Occupation.

- a. 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 Local Services Tax shall be in the following order:
 - i. the political subdivision in which a person maintains the person's principal office or is principally employed;
 - ii. the political subdivision in which the person resides and works, if the tax is levied by that political subdivision;
 - iii. the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home.
- b. In the case of concurrent employment, an employer shall refrain from withholding the Local Services Tax, if the employee provides a recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of the local services tax withheld and a statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in principal place of employment within two weeks of its occurrence.
- c. The Local Services Tax shall be no more than Fifty-Two Dollars (\$52.00) on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed.

Section 9. Exemptions. The tax hereby levied shall not be imposed upon or collected from any of the following persons:

- a. 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.
- b. 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. "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.

- c. Any person whose total earned income and net profits from all sources within the Township is less than Twelve Thousand Dollars (\$12,000.00) for the calendar year in which the Local Services Tax is levied.
- d. A person seeking to claim an exemption from the Local Services Tax may annually file an exemption certificate with the Township and with the person's employer, 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 (\$12,000.00) in the calendar year for which the exemption certificate is filed. The Township shall provide a copy of the exemption certificate to the Tax Officer. The exemption certificate shall have attached to it a copy of all the employee's last pay stubs or W-2 forms from employment within the political subdivision for the year prior to the fiscal year for which the employee is requesting to be exempted from the Local Services Tax. Upon receipt of the exemption certificate and until otherwise instructed by the Township, or except as required by e. below, the employer shall not withhold the tax from the person during the calendar year of the remainder of the calendar year for which the exemption certificate applies.
- e. With respect to a person who claimed an exemption for a given calendar year from the Local Services Tax, upon notification to an employer by the person or by the Township that the person has received earned income and net profits from all sources within that Township equal to or in excess of Twelve Thousand Dollars (\$12,000.00) in that calendar year or that person is otherwise ineligible for the tax exemption for that calendar year, or upon the employer's payment to the person of earned income within that Township in an amount equal to or in excess of Twelve Thousand Dollars (\$12,000.00) in that calendar year, an employer shall withhold the Local Services Tax from the person under f. below.
- f. If a person who claimed an exemption for a given calendar year from the Local Services Tax becomes subject to the tax for the calendar year under e., the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification under e. a lump sum equal to the amount of tax that was not withheld from the person due to the exemption claimed by the person under this subsection, 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 clause is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of tax due, and the Township may pursue collection under this Ordinance.

Section 10. Administration of Tax.

- a. Payments of the Local Services Tax shall be made to the Tax Collector or Tax Officer appointed by the Township who shall keep a proper account of the taxes collected.
- b. The Tax Collector or Tax Officer is hereby charged with the administration of this Ordinance and is hereby authorized to prescribe, adopt and promulgate rules and regulations subject to approval of the Township relating to any matter pertaining to the administration and enforcement of this Ordinance, as permitted by law.
- c. The Tax Collector or Tax Officer is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer, or if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the Tax Collector or Tax Officer the means, facilities and opportunity for such examination.

Section 11. Interest and Penalty on Delinquent Accounts. If for any reason the tax is not paid when due, interest at the rate of Six Percent (6%) per year on the amount of the tax shall be charged in addition to the tax, and a penalty of One Percent (1%) of the amount of the unpaid tax for each month or a fraction thereof during which the tax remains unpaid shall be added and collected.

Section 12. Collection of Delinquent Accounts. The Tax Collector or Tax Officer, with the approval of the Township, is authorized to pursue collection of any delinquent account in accordance with the provisions of the Local Tax Enabling Act and other laws as applicable. In any proceeding to collect a delinquent account, the Township or person designated to collect the account shall recover all such costs and expenses including attorneys' fees, as permitted by law.

Section 13. Fine and Penalty. 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 deduct or withhold the tax from compensation payable to his employees; any person who shall fail, neglect or refuse to pay the tax due; any person who refuses to permit the Tax Officer or any agent designated by the Tax Officer to examine his books, records, accounts and papers, to determine whether employees are subject to the tax or whether the tax is due; any person who knowingly makes any false or untrue statement on an exception certificate or other statement required by this Ordinance who falsifies or fails to disclose information to avoid payment of the tax, shall, upon conviction by a District Magistrate or other court of competent jurisdiction, be sentenced to pay a fine of not more than Five Hundred Dollars (\$500.00) for each offense and in default of payment of said fines and costs, be imprisoned in a correctional facility for a period not exceeding thirty (30) days for each offense.

Section 14. Period for Which Tax is in Effect. This Ordinance shall be effective in accordance with the provisions of the Local Tax Enabling Act and shall be in effect for the year 2019 and remain in effect for each and every calendar year thereafter, without annual reenactment.

Section 15. Incorporation of Subsequent Legislation. In the event the Pennsylvania legislature shall finally enact a law that mandates exemptions, tax collection procedures and obligations, tax refund procedures and obligations, and tax reporting and return procedures and obligations, and requirements different from those set forth in this Ordinance, these requirements mandated by law shall be incorporated by reference as a part of this Ordinance and the terms of this Ordinance shall be deemed modified by such statutory requirements, as permitted by law.

Section 16. Savings Clause.

- a. Nothing contained in this Ordinance shall be construed to empower West Mead Township to levy and collect the tax hereby imposed upon the privilege of engaging in an occupation, not within the taxing power of the Township under the Constitution and laws of the United States and the Commonwealth of Pennsylvania.
- b. If the tax hereby imposed under the provisions of this Ordinance shall be held by any court of competent jurisdiction to be in violation of the Constitution and laws of the United States and the Commonwealth of Pennsylvania as to any individual, the decision of the court shall not affect or impair the right to impose or collect such tax or the validity of the tax so imposed on other persons as herein provided.
- c. The provisions of this Ordinance are severable and if any of its provisions shall be held invalid or unconstitutional by a court of competent jurisdiction, the decision of the court shall not affect or invalidate any of the remaining provisions. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid or unconstitutional provision had not been included herein.

Section 17. Repealer. All other ordinances and parts thereof inconsistent with the terms and provisions of this Ordinance are hereby repealed. Specifically repealed is the West Mead Township Ordinance authorizing the Occupational Privilege Tax previously in effect.

Section 18. Effective Date. This Ordinance shall be effective five (5) days after enactment.

Ordained and Enacted by the Board of Supervisors of West Mead Township this _____ day of October, 2018.

WEST MEAD TOWNSHIP BOARD OF SUPERVISORS

By: _____
Chairman Michael L. Jordan

By: _____
Vice Chairman Don R. Bovard

By: _____
Supervisor John A. Shartle

ATTEST:

Secretary Jill M. Dunlap