

Chapter 24

Taxation; Special

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Part 1**Earned Income and Net Profits Tax****§24-101. Title.**

This Part shall be known and may be cited as the “Earned Income and Net Profits Tax Ordinance.”

(*Ord. 12.02.2008, 12/2/2008, §1*)

§24-102. Imposition of Tax.

A tax for general revenue purposes of ½ percent is hereby imposed on earned income and net profits earned by residents of Hepburn Township¹ and by nonresidents for work done or services performed therein earned or paid on or after January 1st of any year and continuing for each taxable year thereafter without annual re-enactment.

(*Ord. 12.02.2008, 12/2/2008, §2*)

§24-103. Incorporation of Statute.

The provisions of the Local Tax Enabling Act (P.L. 1257, No. 511, December 31, 1965 as amended, 53 P.S. §6901 *et seq.* and especially 53 P.S. §6913) and of Act 24 of 2001, 53 P.S. §6927 *et seq.*, supplemented, modified or reenacted by the General Assembly of Pennsylvania, are incorporated herein by reference.

(*Ord. 12.02.2008, 12/2/2008, §3*)

§24-104. Adoption of Regulations.

The regulations promulgated by the Municipal and School Income Tax Office, as amended, are hereby adopted. All subsequent amendments to the Municipal and School Income Tax Office regulations may be adopted from time to time by resolution of Hepburn Township.

(*Ord. 12.02.2008, 12/2/2008, §4*)

§24-105. Definitions.

The following words and phrases, when used in this Part, shall have the meaning ascribed to them in this Section, except where the context clearly indicates or requires a different meaning.

Association—a partnership, limited partnership, limited liability company, limited liability partnership or any other unincorporated group of two or more persons.

Business—an enterprise, activity, profession, or any other undertaking of an unincorporated nature conducted for profit or ordinarily conducted for profit whether by a person, partnership, association or any other entity.

¹Editor’s Note: *Ord. 12.02.2008, 12/2/2008*, by virtue of a typographical error, incorrectly read “Eldred Township.”

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.

Current year—the calendar year for which the tax is collected.

Domicile—the place where one lives and has his/her permanent home and to which he/she has the intention of returning whenever he/she is absent. Actual residence is not necessarily domicile, for domicile is the fixed place or abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntarily fixed place of habitation of a person not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce him/her to adopt some other permanent home. 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—compensation as determined under §303 of the Act of March 4, 1971, (P.L. 6, No. 2), 72 P.S. §7303, known as the “Tax Reform Code of 1971,” and regulations in 61 Pa.Code Part I, Subpart B, Article V (relating to personal income tax). Employee business expenses are allowable deductions as determined under Article III of the “Tax Reform Code of 1971.” The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income.

Employer—a person, 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.

Income Tax Officer—(hereinafter referred to as officer) person, public employee of private agency designated by the governing body to collect and administer the tax on net profits and earned income.

Net profits—the net income from the operation of a business, profession, or other activity, except corporations determined under §303 of the Act of March 4, 1971, (P.L. 6, No. 2), 72 P.S. §7303, known as the “Tax Reform Code of 1971,” and regulations in 61 Pa.Code Part I, Subpart B, Article V (relating to personal income tax). The term does not include income which is not paid for services provided and which is the nature of earnings from an investment.

Nonresident—a person, partnership, or other entity domiciled outside the taxing district.

Person or individual—a natural person.

(Ord. 12.02.2008, 12/2/2008, §5)

§24-106. Penalties for Violation.

1. Any person who fails, neglects, or refuses to make any declaration or return required by this Part or regulations adopted pursuant thereto, 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 examination of his books, records and papers, and any person who knowingly makes any incomplete, false or fraudulent return, or attempts to do anything whatsoever to avoid the full disclosure of the amount of his profits or earned income in order to avoid the payment of the whole or any part of the tax imposed by this Part,

shall, upon conviction therefore, before any district justice, or court of competent jurisdiction, be sentenced to pay a fine of not more than \$500 for each offense, and costs, and in default of payment, to be imprisoned for a period not exceeding 30 days.

2. Any person who divulges any information which is confidential under the provisions of this Part, shall, upon conviction therefore, before any district justice, or court of competent jurisdiction, be sentenced to pay a fine of not more than \$500 for each offense, and cost, and in default of payment, be imprisoned for a period not exceeding 30 days.

3. The penalties imposed under this Section shall be in addition to any other penalty imposed by any other Section of this Part or by statute.

(Ord. 12.02.2008, 12/2/2008, §6)

§24-107. Savings Clause.

Any previous ordinance adopting an earned income and/or net profits tax shall continue in full force and effect until this Part goes into effect.

(Ord. 12.02.2008, 12/2/2008, §7)

Part 2**Realty Transfer Tax****§24-201. Imposition of the Tax.**

Hepburn Township adopts the provisions of Article XI-D of the Tax Reform Code of 1971 and imposes a realty transfer tax as authorized under that Article subject to the rate limitations therein. The tax imposed under this Section shall be at the rate of $\frac{1}{2}$ of 1 percent.

(Res. 7.03.07.01, 7/3/2007, §1)

§24-202. Administration.

The tax imposed under §24-201 and all applicable interest and penalties shall be administered, collected and enforced under the Act of December 31, 1965, P.L. 1257, No. 511, as amended, known as the "Local Tax Enabling Act;" provided, that if the correct amount of the tax is not paid by the last date prescribed for timely payment, Hepburn Township, pursuant to §1102-D of the Tax Reform Code of 1971, 72 P.S. 8102-D, authorizes and directs the Department of Revenue of the Commonwealth of Pennsylvania to determine, collect and enforce the tax, interest and penalties.

(Res. 7.03.07.01, 7/3/2007, §2)

§24-203. Interest.

Any tax imposed under §24-201 that is not paid by the date the tax is due shall bear interest as prescribed for interest on delinquent municipal claims under the Act of May 16, 1923, P.L. 207, No 153, 53 P.S. 7101 *et seq.*, as amended, known as the "Municipal Claims and Tax Liens Act." The interest rate shall be the lesser of the interest rate imposed upon delinquent Commonwealth taxes as provided in §806 of the Act of April 9, 1929, P.L. 343, No. 176, 72 P.S. 806, as amended, known as the "Fiscal Code," or the maximum interest rate permitted under the Municipal Claims and Tax Liens Act for tax claims.

(Res. 7.03.07.01, 7/3/2007, §3)

