

EARNED INCOME TAX OF THE
TOWNSHIP OF WASHINGTON

ORDINANCE NO. 2-1981

AN ORDINANCE PROVIDING FOR THE ASSUMPSIT, LEVY AND COLLECTION OF A TAX FOR GENERAL TOWNSHIP PURPOSES, UNDER THE AUTHORITY OF THE ACT OF DECEMBER 31, 1965, P.L. 1257, ACT 511, KNOWN AS "THE LOCAL TAX ENABLING ACT" AND ITS AMENDMENTS, UPON SALARIES, WAGES, COMMISSIONS, BONUSES, INCENTIVE PAYMENTS, FEES, TIPS AND OTHER COMPENSATION EARNED AFTER JANUARY 1, 1982 BY RESIDENTS OF THE TOWNSHIP OF WASHINGTON, ARMSTRONG COUNTY, PENNSYLVANIA, AND ON THE NET PROFITS, EARNED AFTER THE FIRST DAY OF JANUARY, 1982, OF BUSINESSES, PROFESSIONS AND OF DECLARATIONS AND RETURNS AND GIVING OF INFORMATION BY EMPLOYERS AND BY THOSE SUBJECT TO THE TAX, IMPOSING ON EMPLOYERS THE DUTY OF COLLECTING THE TAX AT THE SOURCE, PROVIDING FOR THE ADMINISTRATION AND ENFORCEMENT OF THIS ORDINANCE AND IMPOSING PENALTIES FOR THE VIOLATION THEREOF. THE TOWNSHIP OF WASHINGTON, ARMSTRONG COUNTY, PENNSYLVANIA, UNDER THE AUTHORITY OF THE ACT OF THE GENERAL ASSEMBLY OF DECEMBER 31, 1965, P.L. 1257 ACT 511, KNOWN AS "THE LOCAL TAX ENABLING ACT", AND ITS AMENDMENTS, HEREBY ENACTS AS FOLLOWS:

Section 1. TITLE

The title of this ordinance shall be "The Earned Income Tax of the Township of Washington".

Section 2. DEFINITIONS

The following words or phrases when used in this ordinance shall have the meaning ascribed to them in this section, except when the context indicates a different meaning:

- (a) The term "association" shall mean a partnership, limited partnership, or any other form of unincorporated enterprise owned by two or more persons.

(b) The term "business" shall include any enterprise, activity, profession, or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, co-partnership, association or other entity.

(c) The term "corporation" shall mean any corporation or joint stock association organized under the laws of the United States of America, Commonwealth of Pennsylvania, or any other state, territory, or foreign country or dependency.

(d) The term "employer" shall mean any person, individual, co-partnership, association, corporation, governmental body or unit or agency or any other entity who or which employ one or more persons on a salary, wage, commission or other compensation basis.

(e) The term "earned income" shall mean salaries, wages, commissions, bonuses, incentive payments, fees, tips and other compensation received by a person or his personal representative for services rendered, whether directly or through an agent, and whether in cash or in property; not including, however, wages or compensation paid to persons on active military service, periodic payments for sickness and disability other than regular wages received during a period of sickness, disability, or retirement or payments arising under workmen's compensation acts, occupational disease acts and similar legislation, or payments 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 payments commonly known as public assistance, or unemployment compensation payments made by any governmental agency or payments to reimburse expenses or payments made by employers or labor unions for wage and salary supplemental programs, including, but not limited to, programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, strike benefits, social security and retirement.

(f) The term "net profits" shall mean the net income from the operation of a business, profession, or other activity, except corporations, after provision for all costs and expenses incurred in the conduct thereof, determined either on a cash or accrual basis in accordance with the accounting system used in such business, profession, or other activity, but without deduction of taxes based on income.

(g) The term "person" shall include natural persons, an individual, co-partnership, associations, corporations, firms or fiduciaries. Whenever used in any clause prescribing and imposing a penalty, the term "person" as applied to associations, shall mean the partners or members thereof and as applied to corporations shall mean the officers thereof.

(h) The term "resident" shall mean a person, co-partnership, association or other entity domiciled in the Township of Washington, Armstrong County, Pennsylvania.

(i) The term "taxpayer" shall mean a person, co-partnership, association or other entity required hereunder to file a return on earned income or net profits, or to pay a tax thereon.

(j) The term "income tax officer" or "tax officer" shall mean the person, public employee or private agency designated by the Supervisors of the Township of Washington to collect and administer the tax on earned income and net profits.

In this ordinance the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 3. TAX RATE

The following taxes are hereby imposed for general Township purposes, under the authority of the Act of December 31, 1965, P.L. 1257, (53 P.S. 6901, et seq.), known as the Local Tax Enabling Act:

(a) 1% of all compensation paid after January 1, 1982, to residents;

(b) 1% of all compensation paid after January 1, 1982, to non-residents for work done or services rendered in the Township of Washington;

(c) 1% of the net profits earned after January 1, 1982, of businesses, professions and other activities conducted by residents;

(d) 1% of all net profits earned after January 1, 1982, of businesses, professions and other activities conducted in the Township of Washington by non-residents.

Section 4. INCOME TAX OFFICER

The Tax Officer is hereby designated receiver of the taxes imposed by this ordinance. He shall be bonded by a good and reliable bonding company at all times for all money coming into his hands for Township purposes under this ordinance, the cost of which bonds shall be paid by the

Township. He shall collect and receive all such tax, shall furnish a receipt for their payment and shall keep a record showing the amount received by him from each taxpayer under this ordinance and the date of the receipt of such payment. The Tax Officer, with the approval of the Township Supervisors, is hereby empowered to prescribe rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions of this ordinance. Such rules and regulations shall be inscribed by the Township Secretary into a book kept for that purposes and open to the inspection of the public. Such rules and regulations shall have the same force and effect as if they had been incorporated into this ordinance.

Section 5. TAXPAYERS' RETURNS AND PAYMENTS

Every person whose earning or net profits are subject to any tax imposed by this Ordinance shall, on or before the 15th day of April of each year make and file a return with the receiver of the taxes imposed by this ordinance for the preceding calendar year. Such return shall be filed on forms prescribed by the Township Solicitor, furnished at the expense of the Township, and obtainable from the receiver of the taxes. The information on such return shall include the name and address of the taxpayer; his place of employment or business; the aggregate amount of compensation paid to him or net profits earned by him during the preceding calendar year; the amount of tax due to the Township of Washington under this Ordinance; the amount of tax on salaries, wages, commissions and other compensation or net profits paid by such taxpayer for the period covered by such return to any other political subdivision of the Commonwealth of Pennsylvania,

including the Armstrong School District, together with such other pertinent information as may be required, PROVIDED, however, that when a return is made for a fiscal year or for any other period different from a calendar year such return shall be made within seventy-five (75) days after the close of such fiscal year.

The person making such return shall, at the time of filing thereof, pay to the receiver of the taxes the amount of tax as shown thereon, less any credits of tax withheld by any employer from compensation earned, less any credits and deductions allowed pursuant to the Act of December 31, 1965, P.L. 1257 (53 P.S. 6901, et seq.), known as the Local Tax Enabling Act, for payment for any concurrent period of a like tax to any political subdivision of this Commonwealth by any resident of such political subdivision. PROVIDED, however, that any taxpayer, other than those from whom the entire tax imposed by this Ordinance shall have been withheld by his employers from compensation earned, shall make and file with the receiver of taxes, on forms prescribed by him, a quarterly return on or before April 30 of the current calendar year, July 31, of the current year, October 31 of the current year and January 31 of the succeeding calendar year, setting forth the aggregate amount of compensation earned or net profits subject to withholding by him during the three-months periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year and December 31 of the current year, respectively, and subject to the tax, together with such other information as the receiver of taxes may require. Every taxpayer making such return shall, at the time of filing thereof, pay to the officer the amount of taxes shown as due thereon for each quarter. PROVIDED FURTHER, that in any case where the income of any person subject to any tax under this Ordinance is in the form of compensation paid by an employer and where the entire tax due by any employee shall have been

withheld by his employer and return thereof made to the receiver of the taxes, such employee shall not be required to file a return thereof. However, if such an employee shall be a non-resident of the Township of Washington and shall also be subject to a like tax imposed by any political subdivision within this Commonwealth of which he is a resident, such employee shall file a return with the receiver of taxes, who is hereby authorized to refund to such employee any difference to which he shall be entitled under the provisions of Section Five of the Act of December 31, 1965, P.L. 1257 (53 P.S. 6901, et seq.), known as the Local Tax Enabling Act.

Section 6. EMPLOYERS' COLLECTIONS AND RETURNS

Every employer within the Township of Washington shall deduct, monthly or more frequently than monthly, at the time of payment of compensation due by him to an employee, the tax of 1% of the amount of compensation for such period. Such employer shall, quarterly, make a return and pay over to the receiver of the taxes the amount of tax deducted, or the balance of any tax deducted and not previously, during such quarter, remitted to the receiver of the tax. Such quarterly returns shall be filed and the tax due therewith paid over on or before April 30 of the current year, July 31 of the current year, October 31 of the current year, and January 31 of the succeeding year, for taxes deducted during the preceding three-months periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year, and December 31 of the current year, respectively. Such return shall be on a form furnished by or obtainable from the receiver of the taxes, and shall set forth the total amount of compensation paid by each employer during such quarter; the amount of tax

withheld; previous remittances, if any, to the receiver of the taxes for the said quarter; and the balance remitted therewith. On or before February 28 of each year, there shall be filed an annual return, which return shall be on a form furnished by and obtainable from the receiver of the taxes, and shall set forth the name and residence of each employee of such employer during all or part of the preceding calendar year, the amount of compensation earned by each of such employees during the preceding calendar year, and any other pertinent information that may be required. PROVIDED, however, that the failure or omission by any employer, located either within or outside of the Township of Washington, to deduct such tax and to make such return to the receiver of taxes shall not relieve an employee from the payment of such tax and the compliance with such regulations, with respect to making returns and the payment thereof, as may be established under this Ordinance. Every employer who discontinues business prior to December 31 of the current shall, within thirty (30) days after the discontinuance of business, file the returns and withholding statements required and pay the tax due.

Section 7. EXAMINATION OF RECORDS

The Tax Officer or any other person designated by the Supervisors for the purpose is hereby authorized to examine any of the books, papers, and records of the employer or supposed employer or of any taxpayer or supposed taxpayer in order to verify the accuracy of any return made, or if no return is made, to ascertain the amount of tax due by any person under this Ordinance. Every such employer or supposed employer or taxpayer or supposed taxpayer is hereby directed and required to give to the tax officer or

other authorized person the means, facilities and opportunity for such examinations and investigations as are hereby authorized. The tax officer is hereby authorized to examine any person under oath concerning any income which was or should have been returned for taxation and to this end the Township Supervisors may compel the production of books, records, and papers and the attendance of all persons before such Tax Officer, whether as parties or as witnesses, whom the Tax Officer believes to have knowledge of such income.

Section 8. CONFIDENTIAL INFORMATION

Any information gained by the Tax Officer or any other official or agent of the Township as a result of any return, investigation, hearing or verification required or authorized by this ordinance shall be confidential, except for official purposes, and except in accordance with proper judicial order and or as otherwise provided by law. Any disclosure of any information, contrary to the provisions of this section shall constitute a violation of this ordinance.

Section 9. INTEREST AND PENALTY

All taxes imposed under this ordinance remaining unpaid after they shall have become due shall bear interest in addition to the amount of the unpaid tax at the rate of six (6) percent per annum, and the person against whom such tax is imposed shall be further liable to a penalty of one-half of one percent of the amount of the unpaid tax for each month or fraction of a month of nonpayment.

Section 10. LEGAL ACTION

All taxes imposed by this ordinance, together with all penalties, interest, and costs, shall be recoverable by the Tax Officer or Township Solicitor as debts of like amounts are by law recoverable.

Section 11. ENFORCEMENT

Any person convicted before a District Magistrate of violating any of the provisions or requirements of this Ordinance or of failing, neglecting or refusing to pay any tax, penalties or interest imposed under this Ordinance; or refusing to permit the receiver of the taxes or any other person to examine any of his books, papers or records; or of knowingly making any incomplete, false or fraudulent return or of doing or attempting to do anything whatever to avoid the payment of the whole or any part of the tax imposed under this Ordinance shall be liable to a fine or penalty not exceeding Five Hundred (\$500.00) Dollars, and costs of prosecution, for each and every offense, and, in default of payment of such fine and costs, to imprisonment for not more than thirty (30) days.

Section 12. EXPENSES

All expenses incurred in the administration of this Ordinance shall be paid by the Township. The receiver of the taxes imposed by this Ordinance shall receive such compensation for his services and expenses as the Councilmen may direct by resolution.

Section 13. LIMITATION

This Ordinance shall not apply to any person or property as to whom or which it is beyond the legal powers of the Township to impose the tax or duties herein provided.

Section 14. EFFECTIVE DATE

This Ordinance shall go into effect on the 1st day of January, 1982 and the tax levied hereunder shall continue in force annually on a calendar year basis without annual reenactment.

Section 15. CONFORMITY TO STATE LAW

All of the terms and provisions of Section 13 of Act 511 of the General Assembly are construed to be part of every ordinance levying an income tax and said Section 13 of said Act is hereby fully incorporated in this Ordinance by reference thereto, as fully as if specifically set forth in detail in this Ordinance.

Section 16. CONSTITUTIONAL CONSTRUCTION

If any sentence, clause or section or part 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 section or parts of this Ordinance. It is hereby declared as the intent of the Supervisors of the Township of Washington that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentences, clauses, sections or parts thereof not been included herein.

DONE, ORDAINED AND ENACTED at a regular meeting of the Township Council of the Township of Washington held on the 2nd day of November, 1981.

TOWNSHIP OF WASHINGTON

BY: Elmer Coder

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ATTEST:

Myra V. Lippell

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Approved this 2nd day of November, 1981.

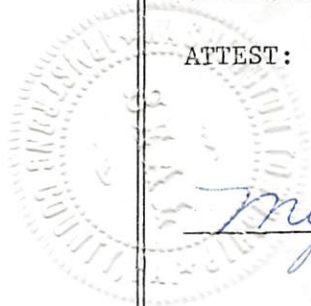
Elmer Codes

Lyons J Helgert

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 2-1981 of the Township of Washington.

ATTEST:

Mary U. Zeppl
Township Secretary



Approved by the Board of Directors

[Faint handwritten signature]

Be it remembered that on this day of _____ 19__

at _____ in the County of _____ State of _____

