

Earned Income Tax Ordinance

Of Mifflin Township, Dauphin County, PA

Imposing a tax for general revenue purposes on salaries, wages, commissions and other compensation earned during the period beginning April 1, 1966, and ending December 31, 1966, by residents of Mifflin Township, Dauphin County, PA and on salaries, wages, commissions and other compensation earned during said period by nonresidents of said Township for work done, or services performed or during said period from businesses, professions or other activities conducted by residents of said township, and on the net profits earned during said period from businesses, professions or other activities conducted in said Township by nonresidents, 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 violation thereof.

BE IT ORDAINED AND ENACTED BY THE BOARD OF SUPERVISORS OF MIFFLIN TOWNSHIP, DAUPHIN COUNTY, PENNSYLVANIA, (HEREINAFTER REFERRED TO AS THIS TAXING DISTRICT) UNDER THE AUTHORITY OF ACT NO.511 OF DECEMBER 31, 1965, (p.l.) AS FOLLOWS:

SECTION 1: DEFINITIONS

The following words and phrases, when used in this ordinance, shall have the meanings ascribed to them in this section, except where the content clearly indicates or requires different meaning.

Association – A partnership, limited partnership, or other unincorporated group of two or more persons.

Business – An enterprise, activity, profession, or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, association or any other entity.

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, commissions and other compensation as defined in the Ordinance.

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

Net Profits – The net income from the operation of a business, profession 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, profession or other activity, but without deduction of taxes based on income.

Nonresident – An individual, partnership, association, or other entity domiciled outside this taxing district.

Person – A natural person, partnership, corporation, fiduciary or association. Whenever used in any section prescribing and imposing a penalty, the term person as applied to associations, shall mean the partner or members thereof, and as applied to corporations, the officers thereof.

Resident – An individual, partnership, association, or other entity domiciled in this Taxing District.

Salaries, Wages, Commissions and Other Compensations – 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 agent, and whether in cash or in property; not including periodic payment for sick or disability 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, Air Force, Marines or other branches of the service of 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 earning or net profits, or to pay a tax thereon.

Income Tax Officer – Person designated by the governing body of this Taxing District to administer the provisions of the Earned Income Tax Ordinance.

SECTION 2: IMPOSITION OF TAX

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

- (a) Salaries, wages, commissions and other compensation earned on and after April 1, 1966 by individual residents of the Taxing District.
- (b) Salaries, wages, commissions and other compensation earned on and after April 1, 1966, by individual residents of this Taxing District in this Taxing District.
- (c) Net profits, earned on and after April 1, 1966, by residents of this Taxing District and

- (d) Net profits, earned on and after April 1, 1966, in this Taxing District, by nonresidents of this Taxing District.**

The tax levied under (a) and (b) herein 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 on the net profits of any business, profession or other activity carried on by any person or persons.

The tax levied by this ordinance, shall be applicable to salaries, wages, commissions and other compensations and to net profits earned in the period beginning April 1, 1966, and ending December 31, 1966.

SECTION 3: DECLARATION AND PAYMENT OF TAX

- (a) Every taxpayer who during the taxable period can reasonably be expected to earn net profits or earnings not subject to the provisions of Section 4 relating to collection at source, shall make and file with the Income Tax Officer, on a form prescribed by the Income Tax Officer, a declaration setting forth the amount of net profits anticipated by him for such taxable period and subject to tax, the amount of estimated tax imposed thereon by this ordinance, and such other relevant information as the Income Tax Officer may require.**
- (b) The declaration of estimated tax shall be filed and the tax shall be paid at the following times:**
- (1) If said net profits or earnings can reasonably be expected on or before the 15th day of July of the taxable period, the taxpayer shall file a declaration on or before said date and shall pay the estimated tax shown thereon in equal quarterly installments on or before the said 15th day of July and on or before the 15th day of the following October and January.**
 - (2) If said net profits or earnings cannot reasonably be expected on or before July 15th of the taxable period, but can reasonably be expected subsequent to said date, the taxpayer shall file his declaration on or before the first of said remaining quarterly installment dates on which the taxpayer can first reasonably be expected to earn such net profits or earnings and shall pay the estimated tax shown thereon in equal installments on or before the remaining quarterly installment dates.**
 - (3) If the taxpayer elects to file a declaration on a fiscal year basis, different from the taxable period, setting forth his estimated net profits or earnings for a period included in the taxable period, then in lieu of filing his declaration and making payments thereon at the time set forth in paragraphs (1) and (2) immediately hereinabove, he may: (a) pay the quarterly installments of the estimated tax according to the declaration filed for the portion of the taxable period included in said fiscal year and (b) on or before the 105th day after the**

close of the fiscal year file a declaration of the estimated tax for the portion of the taxable period included in the said succeeding fiscal year and pay said tax in equal quarterly installments beginning with the due date of the filing and ending with the first quarterly installment due after the close of the taxable period.

- (c) Where the taxpayer who has filed a declaration required hereinabove shall thereafter reasonably be expected to earn, during the taxable period, additional net profits or earnings not subject to collection at source, or shall find that he has overestimated his net profits or earnings, he may file an amended declaration with the Income Tax Officer setting forth such relevant information as the Income Tax Officer may require.
- (d) Every taxpayer who is required to file a declaration of estimated tax under the provision of this Section shall make, and file, with the Income Tax Officer, on a form prescribed by the Income Tax Officer, a final return showing all 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 4 and the balance of the tax due.
- (e) The final return shall be filed at the following times:
 - (1) If the taxpayer's declaration is filed on a calendar year basis, he shall file his final return on or before the 15th day of April after the close of such calendar year.
 - (2) If the taxpayer's declaration is filed on a fiscal year basis, he shall file his final return on or before the 105th day after the close of this fiscal year.
- (f) The percentage of the total net profits of any calendar or 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 any such year within such period bears to the total number of days in any such year.
- (g) 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.
- (h) In the event of the death of the taxpayer during the taxable period, his personal representative, or in the absence of a personal representative, his heirs as designated by the Pennsylvania Interstate Act of 1947, as amended, or hereafter amended or supplemented, shall file his final return within sixty (60) days after the taxpayer's death and pay the tax due or demand refund in the case of the overpayment.
- (i) In the event the taxpayer's taxable net earned income consists solely of salary, wage, commission or other compensation, the tax on which has been withheld by his employer and returned to the Income Tax Officer, such taxpayer shall be relieved of the necessity of filing a return.

- (j) The final return shall include net profits and earnings taxable under any other ordinances of this Tax District for the same calendar or fiscal year so that but one inclusive return shall be filed by every taxpayer for any one calendar or fiscal year.

SECTION 4: COLLECTION AT SOURCE

- (a) Every employer within this Taxing District who employs one or more persons on a salary, wage, commission, or other compensation basis, shall deduct at the time of payment thereof, the tax imposed by this ordinance on the earnings due to his employee or employees and within thirty (30) days of end of the quarter or a year following the effective date of this ordinance, and within thirty (30) days after each quarter of a year thereafter, shall make and file a return with the Income Tax Officer, on a form prescribed by the Income Tax Officer, setting forth the taxes so deducted and such other relevant information as the Income Tax Officer may require and shall pay to this Taxing District the amount of the taxes so deducted.
- (b) On or before the 31st day of January after the taxable period, every such employer shall make and file with the Income Tax Officer, on a form prescribed by the Income Tax Officer:
 - (1) A return showing the total amount of the earnings of his employee or employees during the portion of the preceding calendar year ending December 31 and embraced within the taxable year, the total amount of the tax deduction and the total amount of the tax paid to this Taxing District.
 - (2) A return for each employee showing the total amount of the employee's earnings during the portion of the preceding calendar year ending December 31 and embraced within the taxable period, the amount of tax deducted therefrom, the employee's social security number, name and address and such other relevant information as the Income Tax Officer may require. Such employer on or before January 31 of each of said years shall furnish a copy of such return to the employee named in the return.
 - (3) The said returns shall include the earnings taxable under any other ordinance of this Taxing District for the same calendar year so that one return shall be filed by an employer for any one calendar year.
- (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 heris as designated by Pennsylvania Intestate Act of 1947, as amended or as hereafter amended or supplemented, shall within sixty (60) days after the death of the employer file his return and pay the tax due or demand refund in the case of 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 an employer a trust fund held for the account of this Taxing District as beneficial owner thereof, and the employee from where earnings such tax was deducted shall be deemed to have paid such tax.
- (f) The withholding of taxes from 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 3.

SECTION 5: POWERS AND DUTIES OF THE INCOME TAX OFFICER

- (a) It shall be the duty of the Income Tax Officer 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 person and the date of such receipt.
- (b) The Income Tax Officer is hereby charged with the administration and enforcement of the provisions of this ordinance, and is hereby empowered 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 returns, and of payments alleged or found to be incorrect, or as to which any overpayment is claimed or found to have occurred, and to prescribe forms necessary for the administration of this ordinance.
- (c) The Income Tax Officer, 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 Officer or to any agent so designated by him the opportunity for such examination and investigations as are hereby authorized.
- (d) Any information gained by the Income Tax Officer, his agents, or by any other official, agent or employee of this Taxing District, 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.

- (e) Any person aggrieved by any action of the Income Tax Officer shall have the right of appeal as provided by law.

SECTION 6: SUIT FOR COLLECTION OF TAX

- (a) The Income Tax Officer may sue in the name of this Taxing District 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 a person although a declaration or return was required to be filed by him under the provisions of this ordinance.
 - (2) 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 this Taxing District.

SECTION 7: INTEREST AND PENALTIES

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

SECTION 8: PAYMENT AND REFUNDS

The Income Tax Officer is hereby authorized to accept payments of the amount of tax claimed by this Taxing District in any case where any person disputes the validity or amount of this Taxing District's claim for the tax. If it is thereafter judicially determined an overpayment to the Income Tax Officer, the amount of the overpayment shall be refunded to the person who paid said tax.

SECTION 9: APPLICABILITY

The tax imposed by this ordinance shall not apply:

- (a) To any person as to whom it is beyond the legal power of this Taxing District to impose the tax herein provided for under the Constitution of the United States and the Constitution and Laws of the Commonwealth of Pennsylvania.**
- (b) To the net profits of any institution or organization operated for public religious, educational or charitable purposes, to an 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 this Taxing District under the provisions of Section 4 of this ordinance.

SECTION 10: FINES AND PENALTIES FOR VIOLATION OF ORDINANCE

- (a) 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 pay the tax deducted from his employees; any person who refuses to permit the Income Tax Officer 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 before any alderman or justice of the peace, be sentenced to pay a fine of not more the Three Hundred Dollars (\$300.00) for each offense and costs, to be imprisoned in the Dauphin County Jail for a period not exceeding ninety (90) days.**
- (b) Any person who, except as permitted by the provisions of Subsection (d) of Section 5 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 find of not more the Three Hundred Dollars (\$300.00) for each offense and costs, and imprisoned in the Dauphin County Jail for a period 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 a declaration or return**

SECTION 11: 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 governing body of this Taxing District that this ordinance would have been adopted had such unconstitutional, illegal or invalid sentences, clause or section not been included herein.

Passed and adopted by the Board of Supervisors of Mifflin Township, Dauphin County, Pennsylvania, this 1st day of March, A.D., 1966.