

**ORDINANCE NO. \_\_\_\_\_**

**JACKSON TOWNSHIP, CAMBRIA COUNTY**

AN ORDINANCE OF JACKSON TOWNSHIP, CAMBRIA COUNTY, ESTABLISHING, MODIFYING AND REENACTING AN EARNED INCOME TAX FOR RESIDENTS OF THE TOWNSHIP, ESTABLISHING RATES, DEFINITIONS OF EARNED INCOME, MANDATING REPORTING OF INCOME AND ESTABLISHING PENALTIES FOR VIOLATION OF THE ORDINANCE.

**Section 1. Authorization**

The provisions of Section 6913 of the Local Tax Enabling Act, P.L. 1257, No. 511, December 31, 1965, 53 P.S. Sections 6901 through 6924, as amended, supplemented, modified or reenacted by the General Assembly of Pennsylvania, are incorporated herein by reference hereto; except to the extent that options are provided in said Section 6913, this article designates the option selected and except as and where hereinafter specifically provided otherwise. This Ordinance is enacted to modify provisions of Jackson Township's previous Earned Income Tax Ordinance No. 14, adopted April 4, 1966, to provide compliance with changes in the Local Tax Enabling Act made in Act 166 of 2002.

**Section 2. Definitions.**

As used in this article, the following terms shall have the meanings indicated:

**ASSOCIATION** - A partnership, limited 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 persons, 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.

**CURRENT YEAR** - The calendar year for which the tax is levied.

**DOMICILE** - The place where one lives and has his permanent home, and to which he has the intention of returning whenever he is absent. Actual residence is not necessarily domicile, for domicile is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntary 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 to adopt some other permanent home. In the case of businesses, or association, the domicile is that place considered as the center of business affairs and the place where its functions are discharged.

**EARNED INCOME** - 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 property; not including , however, wages or compensation paid to persons on active military service, periodic payments for sickness, 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. Compensation as determined under Section 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the "Tax Reform Code of 1971," and regulations in 61 Pa. Code Pt. I Subpt. B Art. 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, or any other entity employing one or more persons for a salary, wage, commission or other compensation.

**INCOME TAX OFFICER OR OFFICERS** - A person, public employee or private agency designated by the governing body to collect and administer the tax on earned income and net profits.

**NET PROFITS** - 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 determined under Section 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the "Tax Reform Code of 1971," and regulations in 61 Pa. Code Pt. I Subpt. B Art. V (relating to personal income tax). The term does not include income which is not paid for services provided and which is in the nature of earnings from an investment. For taxpayers engaged in the business, profession or activity of farming, the term shall not include:

- (1) any interest earnings generated from any monetary accounts or investment instruments of the farming business;
- (2) any gain on the sale of farm machinery;
- (3) any gain on the sale of livestock held twelve months or more for draft, breeding or dairy purposes; and
- (4) any gain on the sale of other capital assets of the farm.

**NONRESIDENT** - A person, partnership, association or other entity domiciled outside the taxing district.

**PERSONS or INDIVIDUALS** - A natural person.

**PRECEDING YEAR** - The calendar year before the current year.

**RESIDENT** - A person, partnership, association or other entity domiciled in the taxing district.

**SUCCEEDING YEAR** - The calendar year following the current year.

**TAXPAYER** - A person, partnership, association, or any other entity required hereunder to file a return of earned income or net profits, or to pay a tax thereon.

**Section 3. Imposition of Tax.**

A tax at the rate of 1% on each dollar is hereby imposed on all earned income and net profits, as defined herein, earned by residents of the Township of Jackson on all earned income and net profits earned by nonresidents of the Township of Jackson for work done or services performed or rendered in said Township. This tax shall supplant the former tax and to the extent that changes herein from the former ordinance are more than procedural, such changes, shall not become effective January 1, 2005. All changes shall thereafter remain in effect on a calendar year basis without annual reenactment unless the rate of tax is subsequently charged.

**Section 4. Declaration and Payment of Tax.**

**A. Net profits.**

1. Every taxpayer making net profits shall on or before April 15 of each year make and file with the officer, on a form prescribed by the officer, a declaration of his estimated net profits during the period beginning January 1 and ending December 31 of the current year and pay to the officer in four equal quarterly installments the tax due thereon as follows: the first installment on or before April 15 of the current year, July 15 of the current year, and January 15 of the succeeding year.

2. On or before April 15 of the succeeding year, every taxpayer shall make and file a return on a form prescribed by the officer showing the amount of net profits earned, the total amount of tax due and the total amount of tax paid thereon. At the time of filing the return, the taxpayer shall pay to the officer the balance of the tax due, or shall make demand for refund or credit in the case of overpayment. An incomplete or improperly completed tax return shall be considered as not having been filed. Each final return shall be substantiated and supported by such United States Federal Income Tax Return forms as required by the officer, which shall at least include a copy of the federal W-2 form in the case of an earned income taxable, and Schedule C of the federal return as to a net profits taxable.

### **B. Earned Income.**

Every taxpayer shall, on or before April 15, of the succeeding year, make and file with the officer a final return showing the amount of earned income received during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due thereon, the amount of tax paid thereon, the amount of tax paid thereon, the amount of tax thereon that has been withheld pursuant to the provisions relating to the collection at source and the balance of tax due. 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. An incomplete or improperly completed tax return shall be considered as not having been filed. Each final return shall be submitted and supported by such United States Federal Income Tax Return forms as required by the officer, which shall include a copy of the federal W-2 form in the case of an earned income taxable, and Schedule C of the federal return as to a net profit taxable.

### **C. Earned income not subject to withholding.**

Every taxpayer who is employed for a salary, wage, commission, or other compensation and who received any earned income not subject to the provisions relating to collection at source, shall make and file with the officer on a form prescribed or approved by the officer, a quarterly return on or before April 30 of the current year, July 31 of the current year, October 31 of the current, and January 31 of the succeeding year, setting forth the aggregate amount of earned income not subject to withholding by him during the three-month 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 officer may require. Every taxpayer making such return shall, at the time of filing thereof, pay to the officer the amount of tax shown as due thereon.

## **Section 5. Collection at Source.**

**A.** Every employer having an office, factory, workshop, branch, warehouse, or other place of business within Jackson Township who employs one or more persons, other than domestic servants, for a salary, wage, commission, or other compensation, shall deduct at the time of payment thereof the tax imposed by Jackson Township on the earned income due to his employee or employees and shall, on or before April 30 of the current year, July 31 of the current year, October 1 of the current year, and January 31 of the succeeding year, file a return and pay to the officer the amount of taxes deducted during the preceding three-month 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, unless otherwise agreed upon between the officer and employers, shall show the name and Social Security Number of each such employee, the earned income of such employee during such preceding three-month period, the tax deducted therefrom, the political subdivision imposing the tax upon such employee and the political subdivision in which the employee resides, the total earned income of all such employees during such preceding three-month period, and the total tax deducted therefrom and paid with the return.

**B.** An employer who, for two of the preceding four quarterly returns, has failed to

deduct the proper tax, or any part thereof, or has failed to pay over the proper amount of tax to the taxing authority, may be required by the officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the officer on or before the last day of the month succeeding the month for which the tax was withheld.

**C.** On or before February 28 of the succeeding year, every employer shall file with the officer:

**1.** An annual return showing the total amount of earned income paid, the total amount of tax deducted, and the total amount of tax paid to the officer for the period beginning January 1 of the current year and ending December 31 of the current year.

**2.** A return showing withholding statement for each employee employed during all or part of the period beginning January 1 of the current year and ending December 31 of the current year setting forth the employee's name, address, and Social Security Number, the amount of earned income paid to the employee during said period, the amount of tax deducted, the political subdivisions imposing the tax upon such employee, and the amount of tax paid to the officer. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.

**D.** Every employer who discontinues business prior to December 31 of the current year shall, within 30 days after the discontinuance of business, file the returns and withholding statements hereinabove required and pay the tax due.

**E.** Except as otherwise provided, every employer who willfully or negligently fails or omits to make the deductions required by this section shall be liable for payment of the taxes which he was required to withhold to the extent that such taxes have not been recovered from the employee.

**F.** 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 requirement of the sections relating to the filing of declarations and returns.

### **Section 6. Administration.**

The earned income tax officer shall be selected from time to time by resolution thereof, and shall receive such compensation for his services and expenses as determined from time to time by, the Board of Supervisors. Such officer shall have the powers and duties, and shall be subject to the penalties, as provided in Section 6913, Subdivisions V, VI, and VII, of the Local Tax Enabling Act.

### **Section 7. Powers and Duties of Officer; Bond.**

**A.** It shall be the duty of the officer to collect and receive the taxes, fines and penalties imposed by this article. It shall also be his duty to keep a record showing the amount received by him from each person or business paying the tax, and the date of such receipt.

**B.** Each officer, before entering upon his official duties, shall give and acknowledge a bond to the Township of Jackson. If the Board of Supervisors shall, by ordinance, designate any bond previously given by the officer as adequate, such bond shall be sufficient to satisfy the requirements of this subsection.

**1.** Each bond shall be joint and several, with one or more corporate sureties which shall be surety companies authorized to do business in this Commonwealth and duly licensed by the Insurance Commission of this Commonwealth.

**2.** Each bond shall be conditioned upon the faithful discharge by the officer, his clerks, assistants and appointees of all trusts confided in him by virtue of his office, upon the faithful execution of all duties required by him according to law, of all moneys and all balances thereof paid to, received or held by virtue of his office, and upon the delivery to his successor or successors in office of all books, papers, documents or other official things held in right of his office.

Each such bond shall be taken in the name of the appointing authority or authorities, and shall be for the use of the political subdivision or political subdivisions appointing the officer, and for the use of such other person or persons for whom money shall otherwise appear, in case of a breach of any of the conditions thereof by the acts or neglect of the principle on the bond.

**C.** The officer charged with the administration and enforcement of the provisions of this article is hereby empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter pertaining to the administration and enforcement of this article including provisions for the reexamination and correction of declarations and 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 make refunds in case of overpayment, for any period of time not to exceed six years subsequent to the date of payment of the sum involved, and to prescribe forms necessary for the administration of this article. No rules or regulations of any kind shall be enforceable unless it has been approved by the Board of Supervisors of Jackson Township. A copy of such rules and regulations currently in force shall be available for public inspection.

**D.** The officer shall refund, on petition and proof by the taxpayer, earned income tax paid on the taxpayer's ordinary and necessary business expenses, to the extent that such expenses are not paid by the taxpayer's authority.

**E.** The officer and agents designated by him are hereby authorized to examine the books, papers and records of any employer or of any taxpayer or of any person whom the officer reasonably believes to be an employer or taxpayer, 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 employer and every taxpayer and every person, whom the officer reasonably believes to be an employer or taxpayer, is hereby directed and required to give to the officer, or to any agent designated by him, the means, facilities and opportunity for such examination and investigations as are hereby authorized.

**F.** Any information gained by the officer, his agents, or by any other official or agent of the taxing district, as a result of any declarations, returns, investigations, hearings or verifications required or authorized by this article, shall be confidential, except for official purposes and except in accordance with a proper judicial order, or as otherwise provided by law.

**G.** The officer is authorized to establish different filing, reporting and payment date for taxpayers whose fiscal years do not coincide with the calendar year.

### **Section 8. Suit for Collection of Tax.**

**A.** The officer may sue in the name of the Township of Jackson for recovery of taxes due and unpaid under this article.

**B.** Any suit brought to recover the tax imposed by this article shall begin within three years after such tax is due, or within three years after the 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 provisions of this article, there shall be no limitation.
- 2.** Where an examination of the declaration or return filed by any person, or of other evidence relating to such declaration or return in the possession of the officer, reveals a fraudulent evasion of taxes, there shall be no limitation.
- 3.** In the case of substantial understatement of tax liability of 25% or more and no fraud, suit shall begin within six years.
- 4.** Where any person has deducted taxes under the provisions of this article, and has failed to pay the amounts so deducted to the officer, or where any person has willfully failed or omitted to make the deductions required by this section, there shall be no limitation.
- 5.** This section shall not be construed to limit the Township of Jackson from recovering delinquent taxes by any other means provided by law.

**C.** The officer may sue for recovery of an erroneous refund provided such suit is begun two years after making after making such refund, except that the suit may be brought within five years if it appears that any part of the refund was induced by fraud or misrepresentation of material fact.

**D.** Compliance with other ordinances. Compliance with the requirements of this section shall not relieve any individual or entity of the necessity of compliance with the requirements of any other Ordinance.

### **Section 9. Notification of Occupancy.**

**A.** No person, corporation, or entity shall move into or cause his personal property to be moved into any residential or nonresidential building without first having notified the township of the intent to do so. Said notification shall be made in duplicate on forms prepared by the township.

**B.** Notification forms. Notification forms shall be available at the Township office during normal business hours. The forms shall set forth the name of the applicant, the location of the premises, the name of the owner, the address of the owner, the nature of the proposed use of the building by the previous owner, and the length of time that the prior use had been conducted by prior owners, and, if the property is used for residential purposes, the name and ages of all occupants.

**C.** Tenant reporting. In addition to the notification required above, the owners of all tenant occupied property shall file with the township, on or before July 15 of each year, reports identifying any lessor or sublessor of property in Jackson Township. This requirement shall apply to the owners of all residential, commercial, institutional, and/or industrial property. The reporting shall be in duplicate on forms prepared by the township, and shall set forth the name and mailing address of the owner, the names and mailing addresses of all occupants of the leased premises, the use proposed for the building, and the nature of the use conducted by the previous owner/tenant. The annual reporting shall be supplemented within 15 days of any change in occupancy of the leased premises.

**D.** Compliance with other ordinances. Compliance with the requirements of this section shall not relieve any individual or entity of the necessity of compliance with the requirements any other Ordinance.

### **Section 10. Interest and Penalties.**

If for any reason the tax is not paid when due, interest at the rate of 6% per annum on the amount of said tax, and an additional penalty of 1/2 of 1% 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 11. Violations and Penalties; Fines.**

**A.** Any person who fails, neglects, or refuses to make any declaration or return required by this article, any employer who fails, neglects or refuses to deduct or withhold the tax from his employees, any person who refuses to permit the officer or any agent designated by him to examine 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 net profits or earned income in order to avoid the payment of the whole or any part of the tax imposed by this article shall, upon conviction thereof before any District Justice, or court of competent jurisdiction in the county, be sentenced to pay a fine of not more than \$500 for each offense, and costs, and, in default of payment of said fine and costs, to be imprisoned for a period not

exceeding 30 days. Each violation shall constitute a separate offense, punishable by a like fine or imprisonment for each day of continued violation.

**B.** Any person who divulges any information which is confidential under the provisions of this article shall, upon conviction thereof 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 of said fines and costs, to be imprisoned for a period not exceeding 30 days.

**C.** The penalties imposed under this section shall be in addition to any other penalty imposed by any other section of this article.

**D.** The failure of any person to receive or procure forms required for making the declaration or returns required by this article shall not excuse him from making such declaration or return.

**E.** Any person or entity which fails to comply with the reporting requirements of Section 9 of this article, shall, upon conviction thereof 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 of said fines and costs, to be imprisoned for a period not exceeding 30 days.

**Section 12. Severability**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared invalid by a Court of competent jurisdiction, such decision shall not affect the validity of the Ordinance in its entirety or of any part thereof other than that part declared to be invalid.

**Section 13. Effective Date**

This Ordinance shall be effective thirty (30) days after adoption. It is the intention of the governing body, that this Ordinance shall provide procedural modifications only to the previously adopted Earned Income Tax Ordinance, and no gap as to imposition of the tax set forth herein should be inferred.

**Enacted and Ordained** this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

**JACKSON TOWNSHIP SUPERVISORS**

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Supervisor

\_\_\_\_\_  
Supervisor

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)

**APPLICATION FOR A CERTIFICATE OF OCCUPANCY (EIT)**

Fee: \_\_\_\_\_

Date: \_\_\_\_\_

**APPLICATION DATA**

Property address: \_\_\_\_\_

Owner: \_\_\_\_\_

Tax Parcel #: \_\_\_\_\_

Owner's Address: \_\_\_\_\_

Owner's Phone Number: \_\_\_\_\_

Name of Business, if applicable.: \_\_\_\_\_

Further Details: \_\_\_\_\_

Previous use of premises: \_\_\_\_\_

Misrepresentation in this application will revoke approval.

Name of Applicant: \_\_\_\_\_

Home Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Issued: \_\_\_\_\_

EIT Collector

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