

**ORDINANCE NO. HR-363**

Tredyffrin Township  
Chester County, Pennsylvania

**AN ORDINANCE AMENDING CHAPTER 186, ARTICLE I, EMERGENCY AND MUNICIPAL SERVICES TAX, OF THE TOWNSHIP OF TREDYFFRIN CODE TO CHANGE THE TITLE OF CHAPTER 186, ARTICLE 1 TO “LOCAL SERVICES TAX”, REPLACE REFERENCE WITHIN THE ORDINANCE TO “EMERGENCY AND MUNICIPAL SERVICES TAX” AND “EMERGENCY AND MUNICIPAL SERVICES TAX COLLECTOR” TO “LOCAL SERVICES TAX” AND “LOCAL SERVICES TAX COLLECTOR”, TO ADD DEFINITIONS FOR EARNED INCOME, NET PROFITS, AND RESERVE COMPONENT OF THE ARMED SERVICES, TO ADD EXEMPTIONS FOR PERSONS CALLED TO ACTIVE DUTY IN A MILITARY RESERVE UNIT AND FOR PERSONS DISABLED DURING MILITARY SERVICE, TO PROVIDE FOR THE PRO-RATA WITHHOLDING OF THE TAX AND TO PROVIDE FOR THE REFUND OF OVERPAID TAX.**

**BE IT ENACTED AND ORDAINED** by the Board of Supervisors of Tredyffrin Township as follows:

**SECTION I: Re-titled**

Chapter 186, Article I, Section 1 of the Code of the Township of Tredyffrin is hereby amended to change the title thereof to read “Tredyffrin Township Local Services Tax”.

**SECTION II: Striking Reference to Emergency and Municipal Services Tax**

Chapter 186, Article I, Sections 2.A, 2.B, 3.A, 4.F(2), and 4.F(3), are amended to strike all references to “emergency and municipal services tax” and replace such references with “Local Services Tax”.

**SECTION III: Striking Reference to Emergency and Municipal Services Tax Collector**

Chapter 186, Article I, Sections 3.A, 4.B, 4.D, 4.E, 5.A(1), 5.A(2), and 5.A(3) are amended to strike all reference to “Emergency and Municipal Services Tax Collector” and replace such references with “Local Services Tax Collector”.

**SECTION IV: Imposition of Tax**

Chapter 186, Article I, Section 2.C shall be deleted in its entirety. Section 2.D shall be renumbered to read as “2.C” and a new Section 2.D and Section 2.E shall be added to read as follows:

“D. The Tax imposed under this article shall be used for police, fire or emergency services, road maintenance or real estate tax reduction purposes, as provided for under the provisions of the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, Section 22.6, as amended, 53 P.S. § 6922.6.”

“E. Statutory Authority. This article is enacted under the authority of the Local Tax Enabling Act, as amended (53. P.S. § 6901 et. seq.)”

## **SECTION V: Definitions**

Chapter 186, Article I, Section 3.A shall be amended to add the following definitions for “Earned Income”, “Net Profits” and “Reserve Component of the Armed Services” in alphabetical order.

“EARNED INCOME – Shall have the same meaning as provided for in The Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, Section 13, Division I, as amended, 53 P.S. § 6913.”

“NET PROFITS – Shall have the same meaning as provided for in The Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, Section 13, Division I, as amended, 53 P.S. § 6913.”

“RESERVE COMPONENT OF THE ARMED SERVICES – 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.”

## **SECTION VI: Collection and Payment of Tax-Employer Withholding**

Chapter 186, Article 1, Section 4.A shall be deleted in its entirety and replaced as follows:

“A. Duty of employer to collect and make payment. Each employer within Tredyffrin Township, as well as those employers situated outside of Tredyffrin Township but who engage in business within Tredyffrin Township, is hereby charged with the duty of collecting from each employee engaged by the employer and performing for the employer within Tredyffrin Township the tax of \$52 per annum and making a return and payment thereof to the Local Services Tax Collector. Subject to the withholding requirements of this section, each employer is hereby authorized to deduct the tax from the compensation of each employee in its employ, whether said employee is paid by salary, wages or commissions and whether or not part or all of such services are performed within Tredyffrin Township. Each employer shall pay the tax to the Local Services Tax Collector as provided herein, whether or not the tax was deducted from the compensation of each employee in its employ.

(1) An employer required hereunder to collect the tax shall withhold a pro rata share of the total tax per annum for each

payroll period in which the person is engaged in an occupation. 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. For purposes of determining the pro rata share, an employer shall round down the amount of the tax collected each payroll period to the nearest one-hundredth of a dollar. Collection of the Local Services tax levied under this section shall be made on a payroll period basis for each payroll period in which the person is engaging in an occupation, except as provided for in § 4.A(3).

(2) Upon notification to an employer by the person or by Tredyffrin Township that a person has received earned income and net profits from all sources within Tredyffrin Township equal to or in excess of \$12,000 in that calendar year or that the person is otherwise ineligible for the tax exemption for that calendar year, or upon an employer's payment to the person of earned income within Tredyffrin Township in an amount equal to or in excess of \$12,000 in that calendar year, an employer shall withhold the local services tax from the person for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification hereunder, 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 section, 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 that 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 Tredyffrin Township may pursue collection of the tax.

(3) In the case of an employee who has concurrent employment, an employer shall refrain from withholding the Local Services tax if the employee provides a recent pay stub 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 employer's principal employer and the employee will notify other employers of a change in principal place of employment within two weeks of its occurrence."

## **SECTION VII: Dates for Determining Liability and Payment.**

Chapter 186, Article I, Section 4.C and Section 4.D shall be deleted in their entirety and replaced as follows:

“C. Dates for Determining liability and payment. Each employer shall use his employment record as of each payroll period in the calendar year to determine from whom the tax shall be deducted. An employer shall be required to remit quarterly payments of the tax to the Local Services Tax Collector on or before the thirtieth day after the end of each quarter of a calendar year on forms prescribed by the Local Services Tax Collector.”

“D. Self-employed individuals. Every taxpayer who is self-employed and has not filed an exemption certificate with the Tax Collector, or whose Tax for any other reason is not collected under this section, shall file a return on a form prescribed by the Local Services Tax Collector and shall pay a pro-rata share of the Tax directly to the Local Services Tax Collector within 30 days after the end of each calendar quarter. The pro-rata share of the tax assessed on a taxpayer for a calendar quarter shall be determined by dividing the rate of the Tax levied under this article for the Year by four.”

### **SECTION VIII: Collection and Payment of Tax-Exemption**

Chapter 186, Article I, Section 4.G shall be deleted in its entirety. The income level exemption will remain, but shall be relocated to another section of the ordinance. A new Section 4.G. shall be added to read as follows:

“G. Each employer shall ensure that exemption certificate forms are readily available to employees at all times and shall furnish each new employee with an exemption certificate form at the time of hiring and prior to the first payroll period of each Year.”

### **SECTION IX: Exemptions**

Chapter 186, Article I, shall be amended to add the following new section 186-6 entitled “Exemptions”:

“§ 186-6. Exemptions

- A. Any person whose total earned income and net profits from all sources within Tredyffrin Township is less than \$12,000 per calendar year in which the tax is levied shall be exempt from this tax upon the filing of an exemption certificate with the Local Services Tax Collector.
- B. Any person who has 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 services 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 disability shall be exempt from this tax upon the filing of an exemption certificate with the Local Services Tax Collector.

- C. Any person who serves as a member of a Reserve Component of the Armed Forces and is called to active duty at anytime during the taxable year shall be exempt from this tax upon the filing of an exemption certificate with the Local Services Tax Collector.
- D. The Local Services Tax Collector is hereby charged and empowered to adopt regulations for the processing of claims for exemptions under this § 186-6.
- E. A person seeking exemption from the Tax under §186-6 must annually file an exemption certificate with the employer and the Local Services Tax Collector. If a person claims an exemption from the Tax under § 186.A, the exemption certificate shall have attached to it a copy of all of the employee's last pay stubs or W-2 forms from employment within Tredyffrin Township for the calendar year prior to the calendar year for which the employee is requesting to be exempt from the Tax. The exemption certificate for any exemption under §186-6 must be in a form substantially similar to the uniform exemption certificate prescribed by the Pennsylvania Department of Community and Economic Development.”

**SECTION X: Refunds of Tax Exceeding \$1.00.**

Chapter 186, Article I, shall be amended to add the following new section 186-7 entitled “Refund”.

- “A. A person who overpaid Local Services tax for a calendar year shall be entitled to a refund of the tax by filing a refund request with the Local Services Tax Collector. A person shall only be entitled to a refund of tax for amounts overpaid in a calendar year that exceed \$1.00.
- B. The Local Services Tax Collector is hereby charged and empowered to adopt regulations for the processing of refund claims for overpaid local services tax consistent with 53 Pa.C.S. § 8425, as amended (relating to refunds of overpayments) and 53 Pa.C.S § 8426, as amended (relating to interest on overpayments).

- C. A person shall not be entitled to interest on the amount of refunded tax if the Township pays the refund within seventy-five days of the refund request or seventy-five days after the last day the employer is required to remit the local services tax for the last quarter of the calendar year under § 4.C, whichever is later.”

**SECTION XI: Effective Date.**

This Ordinance shall become effective thirty-one (31) days from enactment and shall apply to tax years commencing on or after January 1, 2008.

**ENACTED** and **ORDAINED** this 15<sup>th</sup> day of October, 2007 by the Board of Supervisors of Tredyffrin Township.

BOARD OF SUPERVISORS  
TREDYFFRIN TOWNSHIP

ATTEST:

\_\_\_\_\_  
Mimi Gleason, Manager

By: \_\_\_\_\_  
Judy L. DiFilippo, Chairman