

Chapter 24

Taxation; Special

Part 1

Earned Income and Net Profits Tax

A. Earned Income Tax

- §24-101. Short Title and Effective Date
- §24-102. Definitions
- §24-103. Imposition of Tax and Exemptions
- §24-104. Return and Payment of Tax
- §24-105. Collection at Source
- §24-106. Powers and Duties of the Income Tax Officer
- §24-107. Suit for Collection of Tax
- §24-108. Interest and Penalties
- §24-109. Payment and Refund
- §24-110. Applicability
- §24-111. Fines and Penalties
- §24-112. Authorization

B. Costs and Fees

- §24-121. Costs and Fees

Part 2

Per Capita Tax

- §24-201. Tax Levied
- §24-202. Collection
- §24-203. Bond of Tax Collector
- §24-204. Warrant for Collection
- §24-205. Expenses of Tax Collector
- §24-206. Notice of Tax
- §24-207. Collection by Distress and Sale
- §24-208. Collection from Spouse
- §24-209. Discount
- §24-210. Exemption from Tax
- §24-211. Penalty

Part 3

Realty Transfer Tax

- §24-301. Authority
- §24-302. Definitions
- §24-303. Imposition of Tax; Interest
- §24-304. Exempt Parties

- §24-305. Excluded Transactions
- §24-306. Documents Relating to Associations or Corporations and Members, Partners, Stockholders or Shareholders Thereof
- §24-307. Acquired Company
- §24-308. Credits Against Tax
- §24-309. Extension of Lease
- §24-310. Proceeds of Judicial Sale
- §24-311. Duties of Recorder of Deeds
- §24-312. Statement of Value
- §24-313. Penalties, Liens, Enforcement
- §24-314. Regulations
- §24-315. Duration

Part 4
Local Services Tax

- §24-401. Title
- §24-402. Authority
- §24-403. Purpose
- §24-404. Definitions
- §24-405. Levy
- §24-406. Restricted Use
- §24-407. Duty of Employer
- §24-408. Returns
- §24-409. Dates for Determining Tax Liability and Payment
- §24-410. Individuals Engaged in More than One Occupation
- §24-411. Exemptions to the Local Services Tax
- §24-412. Self-employed Individuals
- §24-413. Employees and Self-employed Individuals Residing Beyond the Limits of Shrewsbury Township
- §24-414. Administration of Tax
- §24-415. Suit for Collection
- §24-416. Fine and Penalty
- §24-417. Refunds

Part 1**Earned Income and Net Profits Tax****A. Earned Income Tax****§24-101. Short Title and Effective Date.**

This Part shall be known as the “Shrewsbury Township Earned Income and Profit Tax Ordinance.” The provisions hereof shall become effective for the year 1979.

(Ord. 79-2, -/-/---, §I)

§24-102. Definitions.

The following words and phrases when used in this Part, including the various portions of this Section thereof, shall have the meanings ascribed to them in this Section, except where the context clearly indicates or requires a different meaning:

Association - a partnership, limited partnership, or any 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, fiduciary, association, co-partnership, corporation or any other entity, alone or in association with some other person or persons.

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 this Part.

Employer - an individual, fiduciary, co-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.

Fiscal year - the period commencing January 1, 1979, and ending December 31, 1979, both dates inclusive, and thereafter, the year commencing January 1, and ending the following December 31.

Income tax officer - person, public employee or private agency designated by the Board of Supervisors of Shrewsbury Township to collect the tax and administer the provisions of this Part.

Net profit - the net income from the operation of a business, profession, enterprise, or other activity, after provision for all costs and expenses incurred in the conduct there either received or accrued in accordance with the accounting system used in such business, profession, enterprise, or other activity, but without deduction of taxes, Federal, State or local based on income.

Non-resident - a person (as defined in this Part) not residing in Shrewsbury Township.

Person - a natural person, fiduciary, association, co partnership, corporation or other entity. Whenever used in any Section prescribing and imposing a penalty,

the term “person” as applied to associations, shall mean the partners or members thereof and as applied to corporations, the officers thereof.

Resident - a person (as defined in this Part) residing in Shrewsbury Township.

Salaries, wages, commission and other compensation - salaries, wages, commissions, bonuses, incentive payments, fees and tips that may be paid to or received by an individual for services rendered whether in cash or property, or that may accrue to such individual in accordance with an established accounting procedure, whether directly or through an agent and whether in cash or in property; not including the periodic payments for sick or disability benefits and those commonly recognized as old-age benefits, retirement pay, Social Security, 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 bonus or additional compensation paid by the United State or the Commonwealth of Pennsylvania or any other state for prior service in the Army, Navy, Air Force or Marine Corps of the United States.

Taxable - subject to the tax imposed by this Part.

Taxpayer - a person (as defined in this Part) required hereunder to file a return of earnings or net profits, or to pay a tax thereon.

The singular shall include the plural shall include the feminine and the neuter and the masculine.

(Ord. 79-2, -/-/---, §II)

§24-103. Imposition of Tax and Exemptions.

A tax for general purposes of $\frac{1}{2}$ of 1 percent is hereby imposed on the following:

A. Salaries, wages, commissions and other compensation earned by residents of Shrewsbury Township during the fiscal year.

B. Net profits earned by residents of Shrewsbury Township during the fiscal year.

C. Every corporation which is subject to the Pennsylvania Corporate Net Income Tax or exempt from the Pennsylvania Corporate Net Income Tax and every foreign corporation which is subject to the Pennsylvania Franchise Tax or exempt from the Pennsylvania Franchise Tax, shall be exempt from the tax imposed by this Part.

D. There shall be deducted from the tax imposed by paragraph .C of this Section the amount of any tax paid by such non-resident to the city, county or township of his residence on account of salaries, wages, commissions and other compensation earned in Shrewsbury Township during the fiscal year. [Ord. 12/3/1980]

(Ord. 79-2, -/-/---, §III; as amended by Ord. 12/3/1980; and by Ord. 88-11, 7/6/1988)

§24-104. Return and Payment of Tax.

1. *Net Profits.*

A. On or before April 15 next following the close of the fiscal year, every

taxpayer who has earned taxable net profits shall make and file with the Income Tax Officer, on a form prescribed by him, a return showing all of the net profits earned during the fiscal year and the tax due thereon. When the return is made for a fiscal year of a taxpayer different from the calendar year, the return shall be made within 105 days from the end of the said fiscal year of the taxpayer. The percentage of the total net profits of any calendar or fiscal year of a taxpayer beginning or ending within the fiscal year to which the tax imposed by this Part 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 calendar, or fiscal year of the taxpayer. At the time of filing the return, the taxpayer shall pay the tax due.

B. Every taxpayer who discontinues business during the fiscal year shall within 30 days after the discontinuance of business, file his final return as hereinabove required and pay the tax due. Where discontinuance of business is due to the death of the taxpayer, his personal representative, or in the absence of a personal representative, his heirs as designated by the Pennsylvania Probate, Estates and Fiduciaries Code, Title 20, Pa.C.S.A., shall file the decedent taxpayer's final return within 60 days after the taxpayer's death and pay the tax due. [*Ord. 2008-02*]

2. *Salaries, Wages, Commissions and other Compensation.*

A. On or before April 15 next following the close of the fiscal year, every taxpayer who has received taxable salaries, wages, commissions and other compensation shall make and file, with the Income Tax Officer on a form prescribed by him, a return showing all such salaries, wages, commissions and other compensation earned during the fiscal year, the total amount of tax due thereon, and the amount, if any, of tax thereon that has been withheld pursuant to the provisions of §24-105 of this Part and the balance of tax due.

B. At the time of filing the return, the taxpayer shall pay the balance of the tax due, or shall make demand for refund or credit in the case of overpayment.

(1) The Income Tax officer is hereby authorized to provide by regulation for the making and filing of adjusted return showing salaries, wages, commissions and other compensations, and for the payment of additional tax in cases where a taxpayer who had filed the return herein above required shall have earned additional salaries, wages, commissions, or other compensation not previously returned, or finds that he has overpaid the tax due on his salaries, wages, commissions and other compensation.

(2) In the event Shrewsbury Township shall join with other political subdivisions in operating a tax collection bureau, which shall be an unincorporated agency, organized and operated for the collection of taxes imposed hereunder and similar taxes imposed by such other political subdivisions such tax collection bureau shall supersede the Income Tax Officer and shall be charged with the duties and powers of such Income Tax Officer as herein set forth, in addition to such powers and duties as may be prescribed by the Board of Shrewsbury Township, York County, Pennsylvania, by ordinance duly adopted.

C. In the event of the death of taxpayer during the fiscal year, his personal

representative, or in the absence of a personal representative, his heirs as designated by the Pennsylvania Probate, Estates and Fiduciaries Code, Title 20, Pa.C.S.A, shall file the decedent taxpayer's final return within 60 days after the taxpayer's death and pay the tax due or demand refund in the case of overpayment.
[Ord. 2008-02]

(Ord. 79-2, -/-/---, §IV; as amended by Ord. 2008-02, 8/6/2008)

§24-105. Collection at Source.

1. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the taxing jurisdiction imposing a tax on earned income or net profits within the taxing district who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation who has not previously registered shall, within 15 days after becoming an employer, register with the York Area Tax Bureau or other designated tax officer, his name and address and such other information as the Township may require.

2. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the taxing jurisdiction imposing a tax on earned income or net profits within the taxing district 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 this Part 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 31 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 3-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 employer, shall show the name and social security number of each such employee, the earned income of such employee during such preceding 3-month period, the tax deducted therefrom, the political subdivisions imposing the tax upon such employee, the total income of all such employees during such preceding 3-month period and the total tax deducted therefrom and paid with the return. Any employer who for two of the preceding four quarterly periods has failed to deduct the proper tax or any part thereof or who has failed to pay over the proper amount of tax to the taxing authority may be required by the York Area Tax Bureau or designated tax officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the York Area Tax Bureau or designated tax officer on or before the last day of the month succeeding the month for which the tax was withheld.

3. Every employer shall deduct or withhold from employees, exclusive of domestic servants and Maryland residents, at the following rates:

A. Resident taxpayers at the applicable rates imposed by Shrewsbury Township and the Southern School District of the resident taxpayer's earned income and net profits.

B. Non-resident taxpayers at the rate of no less than 1 percent of the non-resident taxpayer's earned income and net profits.

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

A. 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.

B. A return withholding statement for each employee employed during all or any 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 subdivision imposing the tax upon such employee and the amount of tax paid to the York Area Tax Bureau or designated tax officer. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.

5. 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.

6. Except as otherwise provided in subsection .5, 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 is required to withhold to the extent that such taxes have not been recovered from the employee.

7. 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 Part relating to the filing of declarations and returns.

8. No employer shall be required to register, deduct or withhold taxes, file returns or pay taxes with regard to domestic servants or residents of Maryland.

(*Ord. 79-2, -/-/---*, §V; as amended by *Ord. 2005-11, 8/3/2005, §1*)

§24-106. Powers and Duties of the Income Tax Officer.

1. It shall be the duty of the Income Tax Officer to collect and receive the taxes, fines, and penalties imposed by this Part. 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 other person, and the date of such receipt.

2. The Income Tax Officer is hereby charged with the administration and enforcement of the provisions of this Part, and is hereby empowered, subject to the approval by Shrewsbury Township, to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter pertaining to the administration and enforcement of this Part including provisions for the re-examination and correction of 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 prescribe forms necessary for the administration of this Part.

3. 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 certify the accuracy of any return, or, if no return was filed, to ascertain the tax due, if any. Every person who is a taxpayer or employer, or who may reasonably be thought by the Income Tax Officer to be a taxpayer or employer, as defined herein, who is subject to

the provisions of this Part is hereby directed and required to give to the Income Tax Officer, or to any agent designated by him, the means, facilities and the opportunity for such examinations and investigations as are hereby authorized. In addition to all other powers, the Income Tax Officer shall have the power, on behalf of Shrewsbury Township, to examine any person under oath concerning salaries, wages, commissions, and other compensation returned or which should have been returned for taxation hereunder; to compel should the production of books, papers and records, and the attendance of persons (whether as parties, principals, agents or witnesses) before him.

4. Any information gained by the Income Tax Officer, his agents, or by any other official, agent or employee of Shrewsbury Township as a result of any returns, investigations, hearings, or verifications required or authorized by this Part shall be confidential and shall not be disclosed to any person except for official use in connection with the administration or enforcement of this Part or as otherwise provided by law.

5. Any person aggrieved by any action of the Income Tax officer shall have the right of appeal as provided by law.

(*Ord. 79-2, -/-/----*, §VI)

§24-107. Suit for Collection of Tax.

1. The Income Tax Officer may sue in the name of Shrewsbury Township for the recovery of taxes due and unpaid under this Part.

2. Any suit brought to recover the tax imposed by this Part shall be begun within 5 years after such tax is due or within 5 years after a 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:

A. Where no return was filed by any person although a return was required to be filed by him under the provisions of this Part.

B. In the case of a false or fraudulent return with intent to evade tax.

C. Where any person had deducted taxes under the provisions of this Part and has failed to pay the amounts so deducted to Shrewsbury Township.

D. This Section shall not be construed to limit Shrewsbury Township from recovering delinquent taxes by any other means provided by the laws of Pennsylvania.

(*Ord. 79-2, -/-/----*, §VII)

§24-108. Interest and Penalties.

If for any reason the tax is not paid when due, interest at the rate of 6 percent per annum on the amount of said tax, and an additional penalty of one-half of one percent 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.

(*Ord. 79-2, -/-/----*, §VIII; as amended by *Ord. 87-09-1, 12/2/1987, §VIII*)

§24-109. Payment and Refund.

The Income Tax Officer is hereby authorized to accept payment of the amount of

tax claimed by the Township in any case where a person disputes the validity or amount of the Township's claim for the tax. If it is thereafter judicially determined by a court of competent jurisdiction that there has been an overpayment to the Tax Officer, the amount of the overpayment shall be refunded to the person who paid.

(*Ord. 79-2, -/-/----*, §IX)

§24-110. Applicability.

The Tax imposed by this Part shall not apply:

A. To any person as to whom it is beyond the legal power of Shrewsbury Township 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, education 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. 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 Shrewsbury Township under the provisions of §24-105 of this Part.

(*Ord. 79-2, -/-/----*, §X)

§24-111. Fines and Penalties.

1. Any person who fails, neglects or refuses to make any declaration or return required by this Part, 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 designated by him to examine his books, records and papers, and any person who makes any incomplete, false or fraudulent return to avoid payment of the whole or any part of the tax imposed by this Part, shall, upon conviction thereof before any magisterial district judge, be sentenced to pay a fine of not more than \$500 for each defense and costs, and, in default of payment of said fine and costs to a term of imprisonment not to exceed 30 days. [*Ord. 2008-02*]

2. Any person who, except as permitted by the provisions of subsection .3 of §24-106 of this Part, divulges any information which is confidential under the provisions of said subsection shall, upon conviction thereof before any magisterial district judge, 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 a term of imprisonment not to exceed 30 days. [*Ord. 2008-02*]

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

4. The failure of any person to receive or procure the forms required for making any return required by this Part shall not excuse him from making such return.

(*Ord. 79-2, -/-/----*, §XI; as amended by *Ord. 2008-02, 8/6/2008*)

§24-112. Authorization.

This Part and the tax imposed hereby is adopted under and by virtue of the authority contained in the Act of General Assembly known as the "Local Tax Enabling Act," Act 511, effective the 1st day of January, 1966, 53 P.S. §6901 *et seq.*

(*Ord. 79-2, -/-/----*, §XIII)

B. Costs and Fees**§24-121. Costs and Fees.**

1. Shrewsbury Township hereby approves and adopts the Cost of Collection Schedule, attached hereto and made a part hereof, to be imposed by the York Area Tax Bureau, or such other tax collection entity hereafter designated by Shrewsbury Township for the collection of local taxes, upon any taxpayers whose taxes are or become delinquent and/or remain due and unpaid; provided, however, that Shrewsbury Township may amend said fee schedule by resolution from time to time.

2. The York Area Tax Bureau, or such other tax collection entity, designated by Shrewsbury Township, is authorized to retain such costs of collection as set forth in the attached schedule in recovering delinquent taxes and as permitted to be assessed to delinquent taxpayers pursuant to law.

(Ord. 2005-10, 8/3/2005)

Part 2**Per Capita Tax****§24-201. Tax Levied.**

A per capita tax of \$5, for general Township purposes, is hereby levied and assessed under the authority of Act No. 511 of 1965, known as the "Local Tax Enabling Act" and its amendments, 53 P.S. §6901 *et seq.*, upon each resident or inhabitant of Shrewsbury Township, York County, Pennsylvania on January 1, 1979, of the age of 18 years or over, except as provided in §24-211 hereof; which tax shall be in addition to the other taxes levied and assessed by said Township pursuant to the Local Tax Enabling Act, as amended, 53 P.S. §6901 *et seq.*, or any other laws of the Commonwealth of Pennsylvania, and shall be effective January 1, 1979.

(*Ord. 79-3, 1/3/1979, §1*)

§24-202. Collection.

The said tax shall be collected by the duly elected or appointed Tax Collector of Township tax for Shrewsbury Township in the same manner and at the same time as other Township taxes are collected, as provided by the local Tax Collection Law of 1945, as amended and supplemented, 72 P.S. §5511.1 *et seq.*

(*Ord. 79-3, 1/3/1979, §2*)

§24-203. Bond of Tax Collector.

The Tax Collector shall give bond secured and conditioned for the collection and payment of such taxes as provided by law for other Township taxes.

(*Ord. 79-3, 1/3/1979, §3*)

§24-204. Warrant for Collection.

The entry of said per capita tax in a tax duplicate and issuance of said duplicate to the Tax Collector shall constitute his warrant for the collection of said per capita tax hereby levied and assessed.

(*Ord. 79-3, 1/3/1979, §4*)

§24-205. Expenses of Tax Collector.

The expenses of collection and compensation of the Tax Collector shall be paid and allowed as provided in the Local Tax Collection Law of 1945, as amended and supplemented, 72 P.S. §5511.1 *et seq.*, which compensation shall be the same as fixed from time to time, by Shrewsbury Township for the collection of other taxes.

(*Ord. 79-3, 1/3/1979, §5*)

§24-206. Notice of Tax.

The Tax Collector shall give notice to the taxpayers at the same time and in the same manner as provided in the Local Tax Collection Law of 1945, as amended and supplemented, 72 P.S. §5511.1 *et seq.*

(*Ord. 79-3, 1/3/1979, §6*)

§24-207. Collection by Distress and Sale.

The Tax Collector shall be and is hereby empowered with authority to collect tax by distress and sell all goods and chattels of the taxpayers, as provided therefore in the Local Tax Collection Law of 1945, as amended and supplemented, 72 P.S. §5511.1 *et seq.*

(*Ord. 79-3, 1/3/1979, §7*)

§24-208. Collection from Spouse.

There is hereby conferred upon the Tax Collector the power and authority to demand, receive and collect from all corporations, political subdivisions, associations, companies, firms or individuals employing persons owing per capita taxes or whose spouse owes per capita taxes or if in possession of unpaid commissions or earnings belonging to any person or persons owing per capita taxes or whose spouse owes per capita taxes upon the presentation of written notice and demand containing the name of th taxpayers or spouses thereof and the amount of tax due, the amount of tax owing from such individual. Upon the presentation of such written notice and demand, it shall be the duty of such corporation political subdivision, association, company, firm or individual to deduct from the wages, commissions or earnings of such individual and employees then owing or that shall within 60 days thereafter come into its or his possession a sum sufficient to pay their respective amount of per capita taxes and costs shown upon the written notice or demand, and to pay the same to the Tax Collector of Shrewsbury Township within 60 days after such notice shall have been given. Upon the failure of such employer to make such deduction when properly notified as herein provided, such employer shall forfeit and pay the amount of such tax for each taxpayer whose taxes are not withheld and paid over to the Tax Collector as herein provided, which amount may be recovered by an action of assumpsit in a suit to be instituted by Shrewsbury Township.

(*Ord. 79-3, 1/3/1979, §8; as amended by Ord. 2008-02, 8/6/2008*)

§24-209. Discount.

All taxpayers subject to the payment of the per capita tax as herein levied and assessed shall be entitled to a discount of 2 percent of the amount of such tax upon the payment of the whole amount within 2 months after the date, of the tax notice. All taxpayers who fail to make payment of any such taxes charged against them for a period of 4 months after the date of the tax notice shall be charged a penalty of 10 percent which penalty shall be added to the taxes by the Tax Collector and be collected by him.

(*Ord. 79-3, 1/3/1979, §9*)

§24-210. Exemption from Tax.

Any resident or inhabitant of Shrewsbury Township, who meets the criteria set forth in paragraphs .A and .B of this Section may, upon application filed with the Tax Collector of Shrewsbury Township on forms supplied by the Tax Collector, prior to the due date of the tax, be exempted from the payment of the tax. To be exempted, the

applicant must establish:

A. That the applicant's total income from all sources for the calendar year preceding the calendar year in which the tax is due was less than \$3,200.

B. That the total income from all sources of the applicant when added to the total income from all sources of the applicant's spouse, if any, for the calendar year preceding the year in which the tax is due was less than \$6,400.

(*Ord. 79-3, 1/3/1979, §10*)

§24-211. Penalty

If for any reason a tax imposed by this Part is not paid on the date it is required to be paid, interest at the rate of 1 percent on the amount unpaid, together with penalty thereon for each month or fraction thereof, shall be added and collected; and the Township Supervisors are hereby authorized to bring an action in assumpsit for the recovery of such tax, penalty and interest and in the event the magisterial district judge finds the tax not paid as required by this Part, the taxpayer shall, in addition to the tax, pay the penalty provided for in §24-209 of this Part and the interest provided for in this Section, be liable for the cost of said suit and an additional penalty in the amount of \$25.

(*Ord. 79-3, 1/3/1979, §11; as amended by Ord. 2008-02, 8/6/2008*)

Part 3**Realty Transfer Tax****§24-301. Authority.**

A realty transfer tax for general revenue purposes is hereby imposed upon the transfer of real estate or interest in real estate situated within Shrewsbury Township, regardless of where the documents making the transfer are made, executed or delivered or where the actual settlements on such transfer took place, as authorized by Article XI-D, "Local Real Estate Transfer Tax," 72 P.S. §8101-D *et seq.*

(Ord. 2008-02, 8/6/2008)

§24-302. Definitions.

Association - a partnership, limited partnership, or any other form of unincorporated enterprise owned or conducted by two or more persons other than a private trust or decedent's estate.

Corporation - a corporation, joint-stock association, business trust or banking institution which is organized under the laws of this Commonwealth, the United States or any other state, territory, foreign country or dependency.

Document - any deed, instrument or writing which conveys, transfers, demises, vests, confirms or evidences any transfer or demise of title to real estate, but does not include wills, mortgages, deeds or trust or other instruments of like character given as security for a debt and deeds of release thereof to the debtor, and contracts whereby the legal title does not pass to the grantee until the total consideration specified in the contract has been paid or any cancellation thereof unless the consideration is payable over a period of time exceeding 30 years, or instruments which solely grant, vest or confirm a public utility easement. "Document" also shall include a declaration of acquisition required to be presented for recording under §24-303.

Family farm corporation - a corporation of which at least 75 percent of its assets are devoted to the business of agriculture and at least 75 percent of each class of stock of the corporation is continuously owned by members of the same family. The business of agriculture shall include the leasing to members of the same family of property which is directly and principally used for agricultural purposes. The business of agriculture shall not be deemed to include:

- A. Recreational activities such as, but not limited to, hunting, fishing, camping, skiing, show competition or racing.
- B. The raising, breeding or training of game animals or game birds, fish, cats, dogs or pets or animals intended for use in sporting or recreational activities.
- C. Fur farming.
- D. Stockyard and slaughterhouse operations.
- E. Manufacturing or processing operations of any kind.

Family farm partnership - a partnership of which at least 75 percent of its assets are devoted to the business of agriculture and at least 75 percent of the interests in the partnership are continuously owned by members of the same family. The business of

agriculture shall include the leasing to members of the same family of property which is directly and principally used for agricultural purposes. The business of agriculture shall not be deemed to include:

- A. Recreational activities, such as but not limited to hunting, fishing, camping, skiing, show competition or racing.
- B. The raisin, breeding or training of game animals or game birds, fish, cats, dogs or pets or animals intended for use in sporting or recreational activities.
- C. Fur farming.
- D. Stockyard and slaughterhouse operations.
- E. Manufacturing or processing operations of any kind.

Living trust - any trust, other than a business trust, intended as a will substitute by the settlor which becomes effective during the lifetime of the settlor, but from which trust distributions cannot be made to any beneficiaries other than the settlor prior to the death of the settlor.

Members of the same family - any individual, such individual's brothers and sisters, the brothers and sisters of such individual's parents and grandparents, the ancestors and lineal descendants of any of the foregoing, a spouse of any of the foregoing, and the estate of any of the foregoing. Individuals related by the half-blood or legal adoption shall be treated as if they were related by the whole-blood.

Ordinary trust - any trust, other than a business trust or a living trust, which takes effect during the lifetime of the settlor and for which the trustees of the trust take title to property primarily for the purpose of protecting, managing or conserving it until distribution to the named beneficiaries of the trust. An ordinary trust does not include a trust that has an objective to carry on business and divide gains, nor does it either expressly or impliedly have any of the following features: the treatment of beneficiaries as associates, the treatment of the interests in the trust as personal property, the free transferability of beneficial interests in the trust, centralized management by the trustee or the beneficiaries, or continuity of life.

Person - every natural person, association or corporation. Whenever used in any Section prescribing and imposing a fine or imprisonment, or both, the term "person" as applied to associations, shall include the responsible members or general partners thereof, and as applied to corporations, the officers thereof.

Real estate -

A. All lands, tenements or hereditaments within this Township including, without limitation buildings, structures, fixtures, mines, minerals, oil, gas, quarries, spaces with or without upper or lower boundaries, trees and other improvements, immovables or interests which by custom, usage or law pass with a conveyance of land, excluding permanently attached machinery and equipment in an industrial plant.

B. A condominium unit.

C. A tenant-stockholder's interest in a cooperative housing corporation, trust or association under a proprietary lease or occupancy agreement.

Real estate company - a corporation or association which is primarily engaged in the business of holding, selling, or leasing real estate, 90 percent or more of the ownership

interest in which is held by 35 or fewer persons and which:

A. Derives 60 percent or more of its annual gross receipts from the ownership of disposition of real estate.

B. Holds real estate, the value of which comprises 90 percent or more of the value of its entire tangible asset holdings exclusive of tangible assets which are freely transferable and actively traded on an established market.

Title to real estate -

A. Any interest in real estate which endures for a period of time, the termination of which is not fixed or ascertained by a specific number of years including, without limitation, an estate in fee simple, life estate or perpetual leasehold.

B. Any interest in real estate enduring for a fixed period of years but which, either by reason of the length of the term or the grant of a right to extend the term by renewal or otherwise, consists of a group of rights approximating those of an estate in fee simple, life estate or perpetual leasehold including, without limitation, a leasehold interest or possessory interest under a lease or occupancy agreement for a term of 30 years or more or a leasehold interest or possessory interest in real estate in which the lessee has equity.

Transaction - the making, executing, delivering, accepting or presenting for recording of a document.

Value -

A. In the case of any bona fide sale of real estate at arm's length for actual monetary worth, the amount of the actual consideration therefor, paid or to be paid, including liens or other encumbrances thereon existing before the transfer and not removed thereby, whether or not the underlying indebtedness is assumed and ground rents, or a commensurate part thereof where such liens or encumbrances and ground rents also encumber or are charged against other real estate; provided, that where such documents shall set forth a nominal consideration, the "value" thereof shall be determined from the price set forth in or actual consideration for the contract of sale.

B. In the case of a gift, sale by execution upon a judgment or upon the foreclosure of a mortgage by a judicial officer, transactions without consideration or for consideration less than the actual monetary worth of the real estate, a taxable lease, an occupancy agreement, a leasehold or possessory interest, any exchange or properties, or the real estate of an acquired company, the actual monetary worth of the real estate determined by adjusting the assessed value of the real estate for local real estate tax purposes for the common level ratio factor developed by the Pennsylvania Department of Revenue for Pennsylvania realty transfer tax base calculations.

C. In the case of an easement or other interest in real estate the value of which is not determinable under paragraphs .A or .B, the actual monetary worth of such interest.

D. The actual consideration for or actual monetary worth of any executory agreement for the construction of buildings, structures or other permanent improvements to real estate between the grantor and other persons existing before

the transfer and not removed thereby or between the grantor, the agent or principal of the grantor of a related corporation, association or partnership and the grantee existing before or effective with the transfer.

(Ord. 2008-02, 8/6/2008)

§24-303. Imposition of Tax; Interest.

1. Every person who makes, executes, delivers, accepts or presents for recording any document or in whose behalf any document is made, executed, delivered, accepted or presented for recording, shall be subject to pay for and in respect to the transaction or any part thereof, a tax at the rate of 1 percent of the value of the real estate represented by such document, which tax shall be payable at the earlier of the time the document is presented for recording or within 30 days of acceptance of such document or within 30 days of becoming an acquired company.

2. The payment of the tax imposed herein shall be evidenced by the affixing of an official stamp or writing by the Recorder of Deeds whereon the date of payment of the tax, amount of the tax and the signature of the collecting agent shall be set forth.

3. It is the intent of this Part that the entire burden of the tax imposed herein on a person or transfer shall not exceed the limitations prescribed in the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, 53 P.S. §6901 *et seq.*, so that if any other political subdivision shall impose or hereafter shall impose such tax on the same person or transfer then the tax levied by the Township under the authority of that Act shall, during the time such duplication of the tax exists, except as hereinafter otherwise provided, be $\frac{1}{2}$ of the rate and such $\frac{1}{2}$ rate shall become effective without any action on the part of the Township; provided, however, that the Township and any other political subdivision which imposes such tax on the same person or transfer may agree that, instead of limiting their respective rates to $\frac{1}{2}$ of the rate here in provided, that they impose respectively different rates, the total of which shall not exceed the maximum rate permitted under the "Local Tax Enabling Act."

4. The tax imposed under subsection .1 above 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, 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.

5. Any tax imposed under subsection .1 that is not paid by the date 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.

(Ord. 2008-02, 8/6/2008)

§24-304. Exempt Parties.

The United States, the Commonwealth or any of their instrumentalities, agencies or political subdivisions shall be exempt from payment of the tax imposed by this Part. The exemption of such governmental bodies shall not, however, relieve any other party to a transaction from liability for the tax.

(Ord. 2008-02, 8/6/2008)

§24-305. Excluded Transactions.

1. The tax imposed by §24-103 shall not be imposed upon:

A. A transfer to the Commonwealth, or to any of its instrumentalities, agencies or political subdivisions, by gift, dedication or deed in lieu of condemnation or deed of confirmation in connection with condemnation proceedings, or a reconveyance by the condemning body of the property condemned to the owner of record at the time of condemnation which reconveyance is made within 1 year from the date of condemnation.

B. A document which the Township is prohibited from taxing under the Constitution or statutes of the United States.

C. A conveyance to a municipality, township, school district or county pursuant to acquisition by the municipality, township, school district or county of a tax delinquent property at sheriff sale or tax claim bureau sale.

D. A transfer for no or nominal actual consideration which corrects or confirms a transfer previously recorded, but which does not extend or limit existing record legal title or interest.

E. A transfer of division in kind for no or nominal actual consideration or property passed by testate or intestate succession and held by cotenants; however, if any of the parties takes shares greater in value than their undivided interest, tax is due on the excess.

F. A transfer between husband and wife, between persons who were previously husband and wife who have since been divorced, provided the property or interest therein subject to such transfer was acquired by the husband and wife or husband or wife prior to the granting of the final decree in divorce, between parent and child or the spouse of such child, between brother or sister or spouse of a brother or sister and brother or the spouse of a brother or sister, and between a grandparent and grandchild or the spouse of such grandchild, except that a subsequent transfer by the grantee within 1 year shall be subject to tax as if the grantor were making such transfer.

G. A transfer for no or nominal actual consideration of property passing by testate or intestate succession from a personal representative of a decedent to the decedent's devisee or heir.

H. A transfer for no or nominal actual consideration to a trustee of an ordinary trust where the transfer of the same property would be exempt if the transfer was made directly from the grantor to all of the possible beneficiaries that are entitled to receive the property or proceeds from the sale of the property under the trust, whether or not such beneficiaries are contingent or specifically named. No such exemption shall be granted unless the Recorder of Deeds is presented with a copy of the trust instrument that clearly identifies the grantor and all possible

beneficiaries.

I. A transfer for no or nominal actual consideration from a trustee of a living trust from settlor of the living trust. No such exemption shall be granted unless the Recorder of Deeds is presented with a copy of the living trust instrument.

J. A transfer for no or nominal actual consideration from a trustee of an ordinary trust to a specifically named beneficiary that is entitled to receive the property under the recorded trust instrument or to a contingent beneficiary where the transfer of the same property would be exempt if the transfer was made by the grantor of the property into the trust to that beneficiary. However, any transfer of real estate from a living trust during the settlor's lifetime shall be considered for the purposes of this Part as if such transfer were made directly from the settlor to the grantee.

K. A transfer for no or nominal actual consideration from a trustee of a living trust after the death of the settlor of the trust or from a trustee of a trust created pursuant to the will of a decedent to a beneficiary to whom the property is devised or bequeathed.

L. A transfer for no or nominal actual consideration from the trustee of a living trust to the settlor of the living trust if such property was originally conveyed to the trustee by the settlor.

M. A transfer for no or nominal actual consideration from a trustee to a beneficiary of an ordinary trust.

N. A transfer for no or nominal actual consideration from trustee to successor trustee.

O. A transfer:

(1) For no or nominal actual consideration between principal and agent or straw party.

(2) From or to an agent or straw party where, if the agent or straw party were his principal, no tax would be imposed under this Part.

Where the document by which title is acquired by a grantee or statement of value fails to set forth that the property was acquired by the grantee from, or for the benefit of, his principal, there is a rebuttable presumption that the property of the grantee in his individual capacity if the grantee claims an exemption from taxation under this clause.

P. A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation, except where the department reasonably determines that the primary intent for such merger, consolidation or division is avoidance of the tax imposed by this Part.

Q. A transfer from a corporation or association of real estate held of record in the name of the corporation or association where the grantee owns stock of the corporation or an interest in the association in the same proportion as his interest in or ownership of the real estate being conveyed and where the stock of the corporation or the interest in the association has been held by the grantee for more than 2 years.

R. A transfer from a nonprofit industrial development agency or authority to a grantee of property conveyed by the grantee to that agency or authority as

security for a debt of the grantee or a transfer to a nonprofit industrial development agency or authority.

S. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it, but only if:

(1) The grantee shall directly use such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing, or agriculture.

(2) The agency or authority has the full ownership interest in the real estate transferred.

T. A transfer by a mortgagor to the holder of a bona fide mortgage in default in lieu of a foreclosure or a transfer pursuant to a judicial sale in which the successful bidder is the bona fide holder of a mortgage, unless the holder assigns the bid to another person.

U. Any transfer between religious organizations or other bodies or persons holding title for a religious organization if such real estate is not being or has not been used by such transferor for commercial purposes.

V. A transfer to a conservancy which possesses a tax exempt status pursuant to §501(c)(3) of the Internal Revenue Code of 1954, and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open space opportunities; or a transfer from such a conservancy to the United States, the Commonwealth or to any of their instrumentalities, agencies or political subdivisions; or any transfer from such a conservancy where the real estate is encumbered by a perpetual agricultural conservation easement as defined by the Act of June 30, 1981 (P.L. 128, No. 43), known as the "Agricultural Area Security Law," and such conservancy has owned the real estate for at least 2 years immediately prior to the transfer.

W. A transfer of real estate devoted to the business of agriculture to a family farm corporation by a member of the same family which directly owns at least 75 percent of each class of the stock thereof.

X. A transfer of real estate devoted to the business of agriculture to a family farm partnership by a member of the same family, which family directly owns at least 75 percent of the interests in the partnership.

Y. A transfer between members of the same family of an ownership interest in a real estate company, family farm corporation or family farm partnership which owns real estate.

Z. A transaction wherein the tax due is \$1 or less.

AA. Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof.

2. In order to exercise any exclusion provided in this Section, the true, full and complete value of the transfer shall be shown on the statement of value. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. For leases of coal, oil, natural gas or minerals, the statement of value may be limited to an explanation of the reason such document is not subject to tax under this Part.

(Ord. 2008-02, 8/6/2008)

§24-306. Documents Relating to Associations or Corporations and Members, Partners, Stockholders or Shareholders Thereof.

Except as otherwise provided in §24-305, documents which make, confirm or evidence any transfer or demise of title to real estate between associations or corporations and the members, partners, shareholders or stockholders thereof are fully taxable. For the purpose of this Part, corporations and associations are entities separate from their members, partners, stockholders or shareholders.

(Ord. 2008-02, 8/6/2008)

§24-307. Acquired Company.

1. A real estate company is an acquired company upon a change in the ownership interest of the company, however effected, if the change does not affect the continuity of the company; and of itself or together with prior changes has the effect of transferring, directly or indirectly, 90 percent or more of the total ownership interest in the company within a period of 3 years.

2. With respect to real estate acquired after February 16, 1986, a family farm corporation is an acquired company when, because of voluntary or involuntary dissolution, it ceases to be a family farm corporation or when, because of issuance or transfer of stock or because of acquisition or transfer of assets that are devoted to the business of agriculture, it fails to meet the minimum requirements of a family farm corporation under this Part.

3. A family farm partnership is an acquired company when, because of voluntary or involuntary dissolution, it ceases to be a family farm partnership or when, because of transfer of partnership interests or because of acquisition or transfer of assets that are devoted to the business of agriculture, it fails to meet the minimum requirements of a family farm partnership under this Part.

4. Within 30 days after becoming an acquired company, the company shall present a declaration of acquisition with the reorder of each county in which it holds real estate for the affixation of documentary stamps and recording. Such declaration shall set forth the value of real estate holdings of the acquired company in such county. A copy of the Pennsylvania Realty Transfer Tax Declaration of Acquisition may be submitted for this purpose.

(Ord. 2008-02, 8/6/2008)

§24-308. Credits Against Tax.

1. Where there is a transfer of a residential property by a licensed real estate broker which property was transferred to him within the preceding year as consideration for the purchase of other residential property, a credit for the amount of the tax paid at the time of the transfer to him shall be given to him toward the amount of the tax due upon the transfer.

2. Where there is a transfer by a builder of residential property which was transferred to the builder within the preceding year as considered for the builder of new, previously unoccupied residential property, a credit for the amount of the tax paid at the time of the transfer to the builder shall be given to the builder toward the

amount of the tax due upon the transfer.

3. Where there is a transfer of real estate which is leased by the grantor, a credit for the amount of tax paid at the time of the lease shall be given the grantor toward the tax due upon the transfer.

4. Where there is a conveyance by deed of real estate which was previously sold under a land contract by the grantor, a credit for the amount of tax paid at the time of the sale shall be given the grantor toward the tax due upon the deed.

5. If the tax due upon the transfer is greater than the credit given under this Section, the difference shall be paid. If the credit allowed is greater than the amount of tax due, no refund or carryover credit shall be allowed.

(Ord. 2008-02, 8/6/2008)

§24-309. Extension of Lease.

In determining the term of a lease, it shall be presumed that a right or option to renew or extend a lease will be exercised if the rental charge to the lessee is fixed or if a method of calculating the rental charge is established.

(Ord. 2008-02, 8/6/2008)

§24-310. Proceeds of Judicial Sale.

The tax herein imposed shall be fully paid, and have priority out of the proceeds of any judicial sale of real estate before any other obligation, claim, lien, judgment, estate or costs of the sale and of the writ upon which the sale is made except that state realty transfer tax, and the sheriff or other officer paid to him in connection therewith. If the proceeds of the sale are insufficient to pay the entire tax herein imposed, the purchaser shall be liable for the remaining tax.

(Ord. 2008-02, 8/6/2008)

§24-311. Duties of Recorder of Deeds.

1. As provided in 16 P.S. §11011-6, as amended by the Act of July 7, 1983 (P.L. 40, No. 21), the Recorder of Deeds shall be the collection agent for the local realty transfer tax including any amount payable to the Township based on a redetermination of the amount of tax due by the Commonwealth of Pennsylvania of the Pennsylvania realty transfer tax, without compensation from the Township.

2. In order to ascertain the amount of taxes due when the property is located in more than one political subdivision, the Recorder shall not accept for recording such a deed unless it is accompanied by a statement of value showing what taxes are due each Township.

3. On or before the 10th of each month, the Recorder shall pay over to the Township all local realty transfer taxes collected, less 2 percent for use of the County, together with a report containing the information as is required by the Commonwealth of Pennsylvania in reporting collections of the Pennsylvania realty transfer tax. The 2 percent commission shall be paid to the County.

4. Upon a redetermination of the amount of realty tax due by the Commonwealth of Pennsylvania, the Recorder shall rerecord the deed or record the additional realty transfer tax form only when both the State and local amounts and a rerecording or

recording fee has been tendered.

(Ord. 2008-02, 8/6/2008)

§24-312. Statement of Value.

Every document lodged with or presented to the Recorder of Deeds for recording shall set forth therein and as a part of such document the true, full and complete value thereof, or shall be accompanied by a statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this Part. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. The provisions of this subsection shall not apply to any excludable real estate transfers which from taxation based on family relationship. Other documents presented for the affixation of stamps shall be accompanied by a certified copy of the document and statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this Part.

(Ord. 2008-02, 8/6/2008)

§24-313. Penalties, Liens, Enforcement.

1. *Civil Penalties.*

A. If any part of any underpayment of tax imposed by this Part is due to fraud, there shall be added to the tax an amount equal to 50 percent of the underpayment.

B. In the case of failure to record a declaration required under this Part on the date prescribed therefor, unless it is shown that such failure is due to reasonable cause, there shall be added to the tax 5 percent of the amount of such tax if the failure is for not more than one month, with an additional 5 percent for each additional month or fraction thereof during which such failure continues, not exceeding 50 percent, in the aggregate.

2. *Lien.* The tax imposed by this Part shall become a lien upon the lands, tenements or hereditaments, or any interest therein, lying, being situated, wholly or in part within the boundaries of the Township, which lands, tenements, hereditaments or interest therein are described in or conveyed by or transferred by the document which is the subject of the tax imposed, assessed and levied by this Part, said lien to begin at the time when the tax under this Part is due and payable, and continue until discharge by payment or in accordance with the law. The Solicitor is authorized to file a municipal or tax claim in the Court of Common Pleas of Allegheny County, in accordance with the provisions of the Municipal Claims and Liens Act of 1923, 53 P.S. §7101 *et seq.*, its supplements and amendments.

3. *Enforcement.* All taxes imposed by this Part together with interest and penalties prescribed herein shall be recoverable as other debts of like character are recovered.

(Ord. 2008-02, 8/6/2008)

§24-314. Regulations.

The Township Manager is charged with enforcement and collection of tax and is empowered to promulgate and enforce reasonable regulations for enforcement and collection of the tax. The regulations which have been promulgated by the Pennsylvania Department of Revenue under 72 P.S. §8101-C *et seq.* are incorporated into and made a part of this Part.

(Ord. 2008-02, 8/6/2008)

§24-315. Duration.

The provisions of this Part shall continue in full force on a calendar year basis without annual reenactment unless the rate of tax is changed.

(Ord. 2008-02, 8/6/2008)

Part 4**Local Services Tax****§24-401. Title.**

This Part shall be known and may be cited as the “Shrewsbury Township Local Services Tax Ordinance.”

(Ord. 2007-09, 12/12/2007, §101)

§24-402. Authority.

This Part is enacted under the authority of the Local Tax Enabling Act, as amended by Act No. 7 of 2007.

(Ord. 2007-09, 12/12/2007, §102)

§24-403. Purpose.

The purpose of this Part is to provide revenue for police, fire and emergency services; road construction and maintenance; the reduction of property taxes and for such other purposes as may be specified for such tax from time to time by the laws of the Commonwealth of Pennsylvania.

(Ord. 2007-09, 12/12/2007, §103)

§24-404. Definitions.

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

Board of Supervisors - the Governing Body of Shrewsbury Township.

Collector - the person or firm, from time to time, designated by motion of the Board of Supervisors of Shrewsbury Township to collect and administer the provisions of this Part and collect the tax levied by this Part. Until changed by subsequent motion, the collector shall be the same person or firm last designated to collect the emergency and municipal services tax for Shrewsbury Township.

Combined rate - the aggregate annual rate of the local services tax levied by a school district and Shrewsbury Township located in whole or in part within the school district.

Earned income - “compensation” as determined under §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) not including, however, wages or compensation paid to individuals on active military service. Employee business expenses are allowable deductions as determined under Article III of the Tax Reform Code of 1971. Any housing allowance provided to a member of the clergy shall not be taxable as earned income.

Employer - an individual, partnership, association, corporation, governmental body, agency or other entity employing one or more persons on a salary, wage,

commission, fee or other compensation basis, including a self-employed person.

He, his or him - include singular and plural number and male, female and neuter gender.

Individual - any person engaged in any occupation, trade or profession within the jurisdictional limits of Shrewsbury Township whose total earned income and net profits within Shrewsbury Township are greater than \$12,000 per calendar year.

Net profits - the net income from the operation of a business, profession, or other activity, (except from corporations), determined under §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. 1, 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 fanning, the term shall not include:

- (1) Any interest generated from monetary accounts or investment instruments of the farming business.
- (2) Any gain on the sale of farming machinery.
- (3) Any gain on the sale of livestock held 12 months or more for draft, breeding or dairy purposes.
- (4) Any gain on the sale of other capital assets of the farm.

Occupation - any trade, profession, business or undertaking of any type, kind or character including services, domestic or other, carried on or performed within the jurisdictional limits of Shrewsbury Township for which compensation is charged and/or received, whether by salary, wages, commissions, fees or net profits for services rendered.

Reserve component of the armed forces - 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.

Tax - the local services tax levied in this Part.

Year - a calendar year.

(Ord. 2007-09, 12/12/2007, §104)

§24-405. Levy.

Shrewsbury Township hereby levies and imposes on every individual engaging in an occupation within the jurisdictional limits of Shrewsbury Township a tax in the amount of \$52 per annum, beginning the first day of January, 2008, and continuing on a calendar basis annually thereafter, until modified or repealed by subsequent ordinance. This tax is in addition to all other taxes of any kind or nature heretofore levied by Shrewsbury Township.

(Ord. 2007-09, 12/12/2007, §105)

§24-406. Restricted Use.

Shrewsbury Township shall use the revenue derived from this tax for the following

purposes; provided, however, that no less than 25 percent of the funds derived from this tax shall be used for emergency services, as defined herein:

- A. Emergency services, which shall include emergency medical services, police services and/or fire services.
- B. Road construction and/or maintenance.
- C. Reduction of property taxes.
- D. Property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S.A., Ch. 85, Subch. F (relating to homestead property exclusion), and, in accordance with §22.6 of Act 7 of 2007, as amended from time to time.

(Ord. 2007-09, 12/12/2007, §106)

§24-407. Duty of Employer.

1. Each employer within Shrewsbury Township and each employer situate outside Shrewsbury Township who engages in business within Shrewsbury Township, is hereby charged with the duty of collecting the tax from each of the employees engaged by the employer and performing work for the employer within Shrewsbury Township. Each person subject to the tax shall be assessed a pro rata share of the tax for each payroll period in which the person is engaging in an occupation.

2. 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 $\frac{1}{100}$ of a dollar.

3. Employer collection of the local services tax shall be made on a payroll period basis for each payroll period, beginning with the first payroll period in which the person is engaging in an occupation.

4. No employer shall be held liable for failure to withhold the local services tax or for the payment of the withheld tax money to Shrewsbury Township if the failure to withhold taxes arises from incorrect information submitted by the employee as to the employee's place or places of employment, the employee's principal office or where the employee is principally employed.

(Ord. 2007-09, 12/12/2007, §107)

§24-408. Returns.

Employers are required to make and file a local services tax quarterly return 30 days after the end of each quarter of a calendar year. The local services tax quarterly return shall list the name, address, social security number of the employee; the physical address of the employee's place of employment; the number of payroll periods for which the local services tax was withheld and the amount of local services tax being remitted for each employee.

(Ord. 2007-09, 12/12/2007, §108)

§24-409. Dates for Determining Tax Liability and Payment.

Each employer shall use his employment and payroll records from the first day of

January to March 31 each year for determining the number of employees from whom said tax shall be deducted and paid over to the collector on or before April 30 of the same calendar year. Supplemental reports shall be made by each employer on July 30, October 30 and January 31 for new employees as reflected on his employment and payroll records from April 1 to June 30, July 1 to September 30 and October 1 to December 31, and payments on these supplemental reports shall be made on July 30, October 30 and January 30, respectively.

(Ord. 2007-09, 12/12/2007, §109)

§24-410. Individuals Engaged in More than One Occupation.

1. In the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires the person working in more than one political subdivision during the payroll period, the priority of claim to collect the local services tax shall be in the following order:

A. The political subdivision in which a person maintains his or her principal office or is principally employed.

B. The political subdivision in which the person resides and works, if the tax is levied by that political subdivision.

C. The political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home.

2. In the case of concurrent employment, an employer shall refrain from withholding the local services tax, if the employee provides:

A. A recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of local services tax withheld.

B. A statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in principal place of employment within 2 weeks of its occurrence.

3. The situs of the tax shall be the place of employment on the first day the person becomes subject to the tax during each payroll period. It is the intent of this Section that no person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll period.

(Ord. 2007-09, 12/12/2007, §110)

§24-411. Exemptions to the Local Services Tax.

1. The local services tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed.

2. The Local Tax Enabling Act, as amended, requires municipalities and school districts who levy the local services tax at a combined rate exceeding \$10 to exempt any person from the local services tax whose total earned income and net profits from all sources within Shrewsbury Township is less than \$12,000 for the calendar year in which the local services tax is levied. Each political subdivision levying the local services tax hereby exempts the following persons from the local services tax:

A. Any person whose total earned income and net profits from all sources

within Shrewsbury Township is less than \$12,000 for the calendar year in which the local services tax is levied.

B. Any person who 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 service 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 State Veterans' Administration or its successor to be a total 100 percent permanent disability.

C. Any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year. A "reserve component of the armed forces" shall mean 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.

3. A person seeking to claim an exemption from the local services tax must annually file an exemption certificate with the collector of the tax for the political subdivision levying the tax and file a copy of the certificate with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within Shrewsbury Township of less than \$12,000 in the calendar year for which the exemption certificate is filed. 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 Shrewsbury Township for the year prior to the fiscal year for which the employee is requesting to be exempted from the local services tax.

4. Upon receipt of the exemption certificate and until otherwise instructed by the collector of the tax for Shrewsbury Township the employer shall not withhold the tax from the person during the calendar year or remainder of the calendar year for which the exemption certificate applies. With respect to a person who claimed an exemption from the local services tax, upon notification to an employer by the person or by the collector of the tax for Shrewsbury Township that the person has received earned income and net profits from all sources within that Shrewsbury 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 Shrewsbury 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 as follows:

A. If a person who claimed an exemption for a given calendar year from the local services tax becomes subject to the tax for the calendar year the employer shall withhold the tax for the remainder of that calendar year.

B. The employer shall withhold from the person, for the first payroll period after receipt of the notification under the above paragraph, a lump sum equal to the amount of the tax that was not withheld from the person due to the exemption certificate filed by the person, plus the per payroll amount due for that first payroll period.

C. 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.

5. In the event the employment of a person subject to withholding of the local services tax under this exception is severed in that calendar year, the person shall be liable for any outstanding balance of tax due and Shrewsbury Township may pursue collection under this Part.

6. Except as provided for in subsection .4 above, employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility or exempting any employee from a local services tax.

7. Employers shall be responsible for retaining a copy of all exemption certificates filed by employees within a given calendar year for a minimum of 3 years. Employers who have failed to withhold the local services tax from an employee or employees, and do not have copies of the employee exemption certificate or certificates, will be held responsible for the payment of the local services tax as if the tax had been originally levied against the employer.

(Ord. 2007-09, 12/12/2007, §111)

§24-412. Self-employed Individuals.

All self-employed individuals and individuals whose employer is not required to withhold local taxes (certain State and Federal agencies) will be billed quarterly for the local services tax. The full amount of tax must be paid by the date indicated on such billing. If such taxpayer qualifies for a low-income exemption, the taxpayer may complete the required exemption certificate or make application for a refund of the tax paid.

(Ord. 2007-09, 12/12/2007, §112)

§24-413. Employees and Self-employed Individuals Residing Beyond the Limits of Shrewsbury Township.

All employers and self-employed individuals residing or having their place of business outside Shrewsbury Township but who engage in any occupation within Shrewsbury Township, do by virtue thereof agree to be bound by and subject themselves to the provisions, penalties and regulation's promulgated under this Part with the same force and effect as though they were resident of Shrewsbury Township. Further, any individual engaged in an occupation within Shrewsbury Township and an employee of a nonresident employer may for the purpose of this Part be considered a self-employed person and in the event this tax is not paid, the collector shall have the option of proceeding against either the employer or employee for collection of this tax as hereinafter provided.

(Ord. 2007-09, 12/12/2007, §113)

§24-414. Administration of Tax.

1. It shall be the duty of the collector to accept and receive payments of this tax and keep a record thereof showing the amount received by him from each employer or self-employed person, together with the date the tax was received. It shall be the duty of the collector to accept and keep a record of the information submitted by employers relating to the number of employees subject to the tax, the number of employees exempt from the tax, the employee exemption certificate and refunds of the tax paid to individuals and employers. It further shall be the duty of the collector, on behalf of

Shrewsbury Township, to provide a taxpayer a receipt of payment upon written request of the taxpayer.

2. The collector is hereby charged with the administration and enforcement of this Part 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 Part, including provisions for the examination and correction of any return made in compliance with this Part; and any payment alleged or found to be incorrect or as to which overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the collector shall have the right to appeal to the Court of Common Pleas of York County as in other cases provided.

3. The collector is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer; or, if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the collector the means, facilities and opportunity for such examination. (*Ord. 2007-09, 12/12/2007, §114*)

§24-415. Suit for Collection.

1. In the event any of the tax under this Part remains due or unpaid 30 days after the due date set forth above, the collector may sue for the recovery of such tax due or unpaid together with interest and penalty.

2. If for any reason the tax is not paid when due, interest at the rate of 6 percent per annum on the amount of said tax, and an additional penalty of 10 percent shall be added to the flat rate of said tax for nonpayment thereof. Where suit is brought for the recovery of this tax, the individual liable therefore shall, in addition, be responsible and liable for the costs of collection including, but not limited to, attorney's fees.

(*Ord. 2007-09, 12/12/2007, §115*)

§24-416. Fine and Penalty.

Whoever makes any false or untrue statement on any return required by this Part, or who refuses inspection of his books, records or accounts in his custody and control in order to determine the number of employees subject to this tax who are in his employment, or who fails or refuses to file any return required by this Part, or fails or refuses to pay the tax herein levied shall, upon conviction, be sentenced to pay a fine of not more than \$600 plus costs and, in default of payment of said fine and costs, be sentenced to a term of imprisonment not to exceed 30 days. It is further provided that the action to enforce the fine and penalty herein provided may be instituted against any person in charge of the business of any employer who has failed or refused to file a return required by this Part.

(*Ord. 2007-09, 12/12/2007, §116; as amended by Ord. 2008-02, 8/6/2008*)

§24-417. Refunds.

Refunds are to be paid within 75 days of a refund request or 75 days after the last day the employer is required to remit the local services tax for the last quarter of the calendar year, under §9 of Act 7, whichever is later and shall not be subject to interest if paid within the allowed time. Refunds shall only be provided for amounts overpaid in

a calendar year that exceed \$1.

A. Refund due to duplication of payment. If at any time during the calendar year a taxpayer pays more that \$52 in combined LST, the taxpayer may apply for a refund of the amount over \$52. The proper refund request form must be completed and signed by the taxpayer and necessary documentation must be included. These refunds may be processed at the time they are received, unless there is reason to believe we will not receive the tax from the employer.

B. When an individual's "earned income and net profits" only for the calendar year is less than the \$12,000 exemption, at the end of the calendar year, any taxpayer who qualifies may complete a refund application and include a copy of the necessary documentation.

(Ord. 2007-09, 12/12/2007, §117)