

**TOWNSHIP OF SADSBUURY
CRAWFORD COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2011 - 196 SERIES

AN ORDINANCE OF THE TOWNSHIP OF SADSBUURY, CRAWFORD COUNTY, PENNSYLVANIA FOR THE PURPOSE OF THE ENACTMENT OF A TAX ON THE PRIVILEGE OF ENGAGING IN AN OCCUPATION WITHIN THE TOWNSHIP OF SADSBUURY, CRAWFORD COUNTY, PENNSYLVANIA TO BE KNOWN AS THE LOCAL SERVICES TAX; PROVIDING FOR THE ADMINISTRATION OF THE ORDINANCE; PROVIDING FOR INTEREST AND PENALTIES, INCLUDING CRIMINAL PENALTIES, FOR VIOLATION OF THE ORDINANCE.

LOCAL SERVICES TAX

BE IT ORDAINED AND ENACTED by the Board of Supervisors of the Township of Sadsbury, Crawford County, Pennsylvania as follows:

Section 101. Authority for Tax. This tax is levied under the authority granted to the Township of Sadsbury, Crawford County, Pennsylvania by the Act of Assembly of the Commonwealth of Pennsylvania known as Act 511, approved December 31st, 1965, P.L. 1257, known as the Local Tax Enabling Act, as amended December 9th, 2002, P.L. 1364, No. 166, and further amended December 1st, 2004, P.L. 1729, No. 222, and further amended by Act No. 7, effective June 21st, 2007.

Section 102. Definitions. The following words and phrases when used in this Ordinance shall have the following meanings ascribed to them in this section except when the context or language indicates or requires a different meaning:

a. Employer. An individual, partnership, association, corporation, institution, governmental body, agency, or other entity employing one of more persons on a salary, wage, commission or other compensation basis including a self-employed person.

b. He, His or Him. Indicates the singular or plural number as well as male, female and neutered gender.

c. Individual. Any natural person, male or female, engaged in an occupation, trade or profession within the corporate limits of the Township of Sadsbury, Crawford County, Pennsylvania.

d. Occupation. Any trade, profession, business or undertaking of any type, kind or character, including services, domestic or otherwise, carried on or performed within the corporate limits of the Township of Sadsbury, Crawford County, Pennsylvania for which compensation is received whether by means of salary, wages, commission or fees for services rendered.

e. **Tax Officer.** The person, public employee or private agency designated by the governing body to collect and administer the Local Services Tax.

f. **Reserve Component of the Armed Forces.** The United States Army Reserve; the United States Naval Reserve; the United States Marine Corps Reserve; the United States Coast Guard Reserve; the United States Air Force Reserve; and the Pennsylvania Army National Guard or the Pennsylvania Air National Guard.

g. **Taxes.** Local Services Tax in the amount of \$52.00 in 2012 and subsequent years thereafter paid pursuant to the terms and conditions of this Ordinance.

h. **Township.** The area within the corporate limits of the Township of Sadsbury, Crawford County, Pennsylvania as now established or as may be enlarged in the future by operation of law.

i. **Income From All Sources.** For purposes of exemption from the tax herein imposed the term “income from all sources” shall be limited to “earned income” and “net profits” as defined in Division I of Section 13 of the Act of Assembly known as the Local Tax Enabling Act as amended and supplemented from time to time.

Section 103. **Levy of Tax.** For the purposes as set forth in Section 104 of this Ordinance a Local Services Tax is hereby levied upon the privilege of engaging in an occupation within the Township of Sadsbury, Crawford County, Pennsylvania from January 1st, 2012 or from the effective date of this Ordinance whichever shall first occur. The tax established by this Ordinance i.e. the Local Services Tax may be levied, assessed and collected by the Township of Sadsbury, Crawford County, Pennsylvania only if the taxpayer’s place of employment is in the Township of Sadsbury, Crawford County, Pennsylvania. This tax is in addition to all other taxes of any kind or nature whatsoever levied by the Township of Sadsbury, Crawford County, Pennsylvania and is further enacted for every calendar year thereafter without annual re-enactment, provided, however, that the tax hereby levied shall not be imposed upon any natural person whose total earned income during any taxable year commencing January 1st, 2011 is not in excess of \$1,000.00. Any natural person who has paid the tax levied hereunder or for whom his employer has paid such tax and does not have annual income from all sources in excess of \$12,000.00 during a calendar year may file with the Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania on a form to be provided by the Tax Officer for a refund of the amount so paid or, in the alternative, may prior to payment of the tax imposed by this Ordinance seek an exemption pursuant to the provisions and procedures set forth in Section 103.3 of this Ordinance.

Section 103.1. **Absolute Exemption.** The following natural persons shall not be subject to the tax imposed by this Ordinance for any taxable year commencing January 1st, 2012:

a. Persons whose total earned income during the taxable year is not in excess of \$1,000.00.

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 duty 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 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.

Section 103.2. Exemption for other persons. Any person who does not have income from all sources in excess of \$12,000.00 for a calendar year in which the Local Services Tax is levied may be exempt from the tax imposed by this Ordinance and in connection with said exemption shall follow the procedures as set forth in Section 103.3 of this Ordinance.

Section 103.3. Procedure, claim and exemption as provided for in Section 103.2 of this Ordinance.

a. A person seeking to claim an exemption from the tax imposed by this Ordinance may annually file an exemption certificate with the Secretary/Treasurer of the Township of Sadsbury and with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within the political subdivision of less than \$12,000.00 in the calendar year for which the exemption certificate is filed. Upon receipt of the exemption certificate by the Township of Sadsbury, Crawford County, Pennsylvania a copy of the aforesaid exemption certificate shall be delivered to the Tax Officer.

The exemption certificate shall have attached to it the following documents:

i. A copy of the employee's last paystub or W-2 forms from employment within the political subdivision for the year prior to the fiscal year for which the employee is requesting to be exempted from the Local Services Tax. Upon receipt of the exemption certificate and until otherwise instructed by the Township of Sadsbury, Crawford County, Pennsylvania or except as hereinafter required by subsection b. of this Ordinance, the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish each new employee with a form at the time of hiring. The exemption certificates shall be those certificates developed by the Department of Community and Economic Development.

ii. With respect to a person who claimed an exemption for a given calendar year from the Local Services Tax, upon notification to an employer by the person or by the Township of Sadsbury, Crawford County, Pennsylvania that the person has received earned income and net profits from all sources within that political subdivision equal to or in excess of \$12,000.00 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 that political subdivision in an amount equal to or in excess of \$12,000.00 in that calendar year, an

employer shall withhold the Local Services Tax from the person pursuant to subsection c. of this Ordinance.

iii. 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 pursuant to subsection b. of this Ordinance, the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification under subsection b. of this Ordinance, 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 Ordinance, 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 the employment of a person subject to withholding of the tax pursuant to this subsection is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of tax due, and the Township of Sadsbury, Crawford County, Pennsylvania may pursue collection prescribed by this Ordinance.

iv. Except as provided in subsection b. of this Ordinance, it is the intent of the Township of Sadsbury, Crawford County, Pennsylvania that employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility or exempting any employee from the tax imposed by this Ordinance.

Section 103.4. Refund of Tax. In the event that a natural person has not filed a certificate of exemption as hereinbefore provided and has paid the tax but does not have earned income in excess of \$12,000.00 during the calendar year, that person may file with the Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania on a form to be provided by the Tax Officer, a request for refund of the amount so paid. This application shall be filed on or after April 15th of the succeeding year for which the exemption is claimed. Such natural person shall have from April 15th to July 15th of the succeeding year to file for a refund of the tax paid and if the refund request is not filed by July 15th of the succeeding year, then in that event the Local Services Tax becomes the property of the Township of Sadsbury, Crawford County, Pennsylvania.

Section 104. Restricted Use. Any funds derived from the Local Services Tax for the Township of Sadsbury, Crawford County, Pennsylvania pursuant to this Ordinance may only be used for the following purposes:

a. Emergency services, which shall include emergency medical services, police services, and/or fire services. The Township of Sadsbury, Crawford County, Pennsylvania shall use no less than twenty-five percent (25%) of the funds derived from the tax imposed by this Ordinance for emergency services.

b. Road construction and/or road 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., Ch. 85, Subchapter F (relating to homestead property exclusion). In the event that the Township of Sadsbury, Crawford County, Pennsylvania decides to implement a homestead and farmstead exclusion for the purpose of providing property tax relief in accordance with this subsection, then in that event the procedures as set forth in subsection (b) of Section 10 of Act 7, adopted June 21st, 2007, shall be followed.

Section 105. Duty of Employers. Each employer within the Township of Sadsbury, Crawford County, Pennsylvania as well as each employer located outside the Township of Sadsbury, Crawford County, Pennsylvania, but who engages in business within the Township of Sadsbury, Crawford County, Pennsylvania, is hereby charged with the duty of collecting from each of his employees engaged by him and performing an occupation for him within the Township of Sadsbury, Crawford County, Pennsylvania the tax of \$52.00, provided, however, that any person subject to the tax imposed by this Ordinance shall be assessed a pro-rata share of the tax for each payroll period in which the person is engaging in an occupation in the Township of Sadsbury, Crawford County, Pennsylvania. The pro-rata share of the tax assessed on the person for a payroll period shall be determined by dividing the 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 Ordinance shall be made on a payroll period basis for each payroll period in which the person is engaging in an occupation in the Township of Sadsbury, Crawford County, Pennsylvania. Provided, however, that in the case of concurrent employment, an employer shall refrain from withholding the Local Services Tax if the employee provides 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 the Local Services Tax withheld and a statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employer's of a change in principal place of employment within two weeks of the occurrence. For this purpose a uniform employee statement should be utilized by the employee as prepared by the Department of Community and Economic Development.

The Local Services Tax imposed by this Ordinance shall be no greater than \$52.00 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. A political subdivision shall provide a taxpayer a receipt of payment upon request by the taxpayer.

No employer shall be held liable for failure to withhold the Local Services Tax or for the payment of the withheld tax money to the political subdivision 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; and provided further, that an employer shall not be liable for payment of the Local Services Tax in an amount exceeding the amount withheld by the employer if the employer complied with the provisions of this Ordinance and remits the amount so withheld in accordance with the provisions of Section 106 of this Ordinance.

Section 106. Return. Each employer shall prepare and file a return at the end of each calendar quarter showing a computation of the tax on forms to be supplied to the employer by the Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania and the employer shall be required to remit the Local Services Tax within thirty (30) days after the end of each quarter of a calendar year. It is further provided that if the employer fails to file such return and pay such tax, whether or not he makes collection thereof from the salary, wage or commission paid by him to such employee, the employer shall be responsible for the payment of the tax as though the tax had been originally assessed and levied against him.

Section 107. Situs of Tax. The situs of such tax shall be the place of employment, but in the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires a person working in more than one political subdivision during a payroll period, the priority of claim to collect the Local Services Tax shall be in the following order:

a. First, the political subdivision in which a person maintains the person's principal office or is principally employed.

b. Second, the political subdivision in which the person resides and works, if such tax is levied by that political subdivision.

c. Third, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home.

The place of employment shall be determined at the time the taxpayer first becomes subject to the tax during the calendar year.

Section 108. Concurrent employment. In the case of concurrent employment, an employer shall refrain from withholding the Local Services Tax if the employee provides 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 the Local Services Tax withheld and 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 the principal place of employment within two weeks of its occurrence. In connection with the provisions of this section the uniform employee statement form shall be used by the Township as developed by the Department of Community and Economic Development.

The Local Services Tax imposed by this Ordinance shall be no more than \$52.00 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. A political subdivision shall provide a taxpayer a receipt of payment upon request by the taxpayer.

Section 109. Self-employed Individuals. All self-employed individuals who perform services of any type or kind or engage in any occupation or profession within the Township of Sadsbury, Crawford County, Pennsylvania shall be required to comply with this Ordinance and pay the tax in the amount of \$52.00 to the Tax Officer of the Township of Sadsbury, Crawford

County, Pennsylvania on or before May 31st, 2012 and on each succeeding May 31st or as soon thereafter as he engages in an occupation.

Section 110. Non-Resident Employers and Self-Employed Individuals. All employers and self-employed individuals residing or having a place of business outside of the Township of Sadsbury, Crawford County, Pennsylvania but who perform services of any type or kind or engage in any occupation or occupations within the Township of Sadsbury, Crawford County, Pennsylvania, do by virtue thereof agree to be bound by and subject themselves to the provisions and penalties promulgated by this Ordinance with the same force and effect as though they are residents of or have a place of business in the Township of Sadsbury, Crawford County, Pennsylvania. Further, any individual engaged in any occupation within the Township of Sadsbury, Crawford County, Pennsylvania and an employee of a non-resident employer may for purposes of this Ordinance, be considered a self-employed person and in the event the tax imposed by this Ordinance is not remitted to the Tax Officer by May 31st, 2012 and each succeeding year by May 31st. The Township of Sadsbury, Crawford County, Pennsylvania shall have the option of proceeding against either the employer or employee for the collection of this tax as imposed by this Ordinance.

Section 111. Administration of Tax.

a. It shall be the duty of the Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania to accept and receive payments of this tax and to 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.

b. The Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania is hereby charged with the administration and enforcement of this Ordinance as well as the regulations promulgated by the Board of Supervisors of Sadsbury Township including regulations for the examination of the payroll records of any employer subject to this Ordinance; examination and correction of any return made in compliance with this Ordinance; and any payment alleged or found to be incorrect as to which overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania shall have the right to appeal to the Court of Common Pleas of Crawford County as is so provided in other cases.

c. The Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return(s) made by a employer, or if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania the means, facilities and opportunity for such examination.

d. The Township of Sadsbury, Crawford County, Pennsylvania shall adopt regulations for the processing of refund claims for overpaid Local Services Taxes for any calendar year. The regulations so adopted shall be consistent with Section 9 of the Act of Assembly of May 5th, 1998, P.L. 301, No. 50 (53 Pa.C.S.A. 8421) known as the Local Taxpayers

Bill of Rights Act. Refunds made within seventy-five (75) days of a refund request or seventy-five (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 this Ordinance, whichever is later, shall not be subject to interest imposed pursuant to Section 9 of the Act of Assembly known as the Local Taxpayers Bill of Rights Act. (53 Pa.C.S.A. 8426) It is the intent of this section that the Township or its Tax Officer determine eligibility for the exemption and provide refunds to exempt persons from the Local Services Tax and that employers shall not be responsible for processing an exemption or exempting any employee from the Local Services Tax. For purposes of exemption from the Local Services Tax, "income from all sources" shall be limited to "earned income" and "net profits" as defined in Division I of Section 13 of the Local Tax Enabling Act.

e. The Township of Sadsbury, Crawford County, Pennsylvania shall only provide refunds for amounts overpaid during the calendar year that exceed \$1.00.

f. To facilitate the administration of the tax imposed by this Ordinance and the processing of refunds the Township of Sadsbury, Crawford County, Pennsylvania may utilize forms and technical assistance provided by the Department of Community and Economic Development.

Section 112. Collection of Delinquent Tax.

a. The tax imposed by this Ordinance shall be considered delinquent if not paid within thirty (30) days after the due dates established by this Ordinance. The Tax Officer of the Township of Sadsbury, Crawford County, Pennsylvania shall demand, receive and collect from all corporations, political subdivisions, associations, companies, firms or individuals employing persons owing delinquent Local Services Tax or whose spouse owes delinquent Local Services Tax pursuant to the provisions as set forth in Sections 5 or 6 of the Act of Assembly approved the 21st day of June, 2007. In the event the Tax Officer is not successful in collecting the delinquent tax pursuant to the provisions of Sections 5 or 6 of the Act of Assembly approved the 21st day of June, 2007 then in that event the Tax Officer may proceed to collect delinquent tax imposed by this Ordinance by an action in assumpsit civil action as provided in Section 5 of the Act of Assembly approved the 21st day of June, 2007. In the event that collection procedures are instituted either pursuant to Sections 5 or 6 of the Act of Assembly approved the 21st day of June, 2007 or by an action in assumpsit civil action the Township of Sadsbury, Crawford County, Pennsylvania shall be entitled to claim, in addition to a ten percent (10%) penalty, interest at the rate of six percent (6%) per annum, which shall be charged on account of the delinquent tax together with the cost of collection which shall include a reasonable attorney's fee.

Section 113. Fine and Penalty. Whoever makes any false or untrue statement on any return required by this Ordinance, or who refuses inspection of his books, records of accounts in his custody and control setting forth the number of employees subject to this tax who are in his employment, or, whoever fails or refuses to file any return required by this Ordinance, or who shall fail to pay the tax due, shall upon conviction before any District Justice, or other Court having jurisdiction, be sentenced to pay a fine of not more than Three Hundred Dollars (\$300.00) for each offense and in default of payment of said fine and costs, be imprisoned in

Crawford County Correctional Facility for a period not exceeding ninety (90) days for each offense. 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 refuses to file a return by this Ordinance.

Section 114. Validity. The provisions of this Ordinance are severable and if any of its provisions shall be held invalid or unconstitutional, the decision of the Court shall not affect or invalidate any of the remaining provisions. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid or unconstitutional provision had not been included herein.

Section 115. Savings Clause.

a. Nothing contained in this Ordinance should be construed to empower the Township of Sadsbury, Crawford County, Pennsylvania to levy and collect the tax hereby imposed upon the privilege of engaging in an occupation, not within the taxing power of the Township of Sadsbury, Crawford County, Pennsylvania under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.

b. If the tax hereby imposed under the provisions of this part shall be held by any Court of competent jurisdiction to be in violation of the Constitution of the United States and the laws of the Commonwealth of Pennsylvania as to any individual, the decision of the Court shall not affect or impair the right to impose or collect such tax or the validity of the tax so imposed on other persons or individuals as herein provided.

Section 116. Effective Date. This Ordinance shall be effective as of January 1st, 2012.

ATTEST:

SADSBURY TOWNSHIP

By: Rose A. Mumau
Secretary

By: Ken R. VanHorn
Supervisor

By: Poy W. White
Supervisor

By: _____
Supervisor

I, Rose Mumau, Secretary/Treasurer for the Sadsbury Township Board of Supervisors, certify that this is a true and correct copy of Ordinance No. 2011 - 196 Series adopted by the Board of Supervisors at their meeting held on November 8th, 2011 at the Sadsbury Township Municipal Building.

Rose A. Mumau
Rose Mumau, Secretary/Treasurer
Sadsbury Township, Crawford Co., PA