

CITY OF JEANNETTE

WESTMORELAND COUNTY, PENNSYLVANIA

BILL NO. 07-07

ORDINANCE NO. 07-09

AN ORDINANCE OF THE CITY OF JEANNETTE, COUNTY OF WESTMORELAND, COMMONWEALTH OF PENNSYLVANIA, ESTABLISHING A LOCAL SERVICES TAX WITHIN THE CITY OF JEANNETTE, FIXING THE RATE FOR 2008 AND APPROPRIATING SPECIFIC SUMS ESTIMATED TO BE REQUIRED FOR THE SPECIFIC PURPOSES OF THE MUNICIPAL GOVERNMENT, HERINAFTER SET FORTH, DURING THE CURRENT YEAR AND REPEALING THE EMERGENCY AND MUNICIPAL SERVICES TAX CREATED IN ORDINANCE NO. 04-16 DATED DECEMBER 30, 2004.

BE IT ORDAINED AND ENACTED by the Council of the City of Jeannette, Westmoreland County, Pennsylvania, unless otherwise expressly stated, the following terms shall have, for the purpose of this Part, the meaning herein indicated:

1. DEFINITIONS.

COLLECTOR OR TAX COLLECTOR – The person appointed by the Council of the City of Jeannette to collect the Local Services Tax levied by this Part and to administer the provisions thereof.

CORPORATION – Any corporation or joint stock association, organized under the laws of the United States, the Commonwealth of Pennsylvania, or any other state, territory, or foreign country or dependency.

EMPLOYER – Any individual, partnership, association, corporation, governmental body or unit or agency of any other entity who or that employs one (1) or more persons on a salary, wage, commission, or other compensation basis.

NONRESIDENT – An individual, fiduciary, partnership or other entity domiciled outside the City of Jeannette.

OCCUPATION – Any enterprise, activity, profession, or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, association, or any other entity, whereby any wage, salary, commission or other compensation is earned.

PERSON – A natural person, partnership, association, corporation or fiduciary. Whenever used in any clause prescribing or 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 – An individual, partnership, association or other entity domiciled in the City of Jeannette.

SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION – Includes salaries, wages, commissions, bonuses, incentive payments, fees and tips that may accrue or be received by an individual for services rendered, whether directly or through an agent and whether in cash or in property, but shall not include periodic payments for sick or disability benefits and those commonly recognized as old-age benefits, retirement pay, or pensions paid to persons retired from service after reaching a specific age or after a stated period of employment, nor public assistance or unemployment compensation payments, nor any wages or compensation paid by the United States to any person for active service in the Army, Navy or Air Force of the United States, nor any bonus or additional compensation paid by the United States or the Commonwealth of Pennsylvania or any other State for such service.

TAXPAYER – A person required hereunder to file a return on earnings or net profits or to pay a tax thereon. The singular shall include the plural and the masculine shall include the feminine and the neuter.

2. IMPOSITION AND RATE.

a. A Local Services Tax is hereby levied at the maximum amount authorized by the State Legislature, which is currently fifty-two (\$52.00) dollars per year, for any of the following purposes:

- (1) Emergency services, which shall include emergency medical services, police services and/or fire services.
- (2) Road construction and/or maintenance.
- (3) Reduction of property taxes.
- (4) Property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S. Ch. 85 Subch. F (relating to homestead property exclusion).
- (5) The City shall use no less than twenty-five percent of the funds derived from the local services tax for emergency services.

b. The tax levied under Subsections (i) and (ii) of this 3(b) shall relate to and be imposed:

- (i) Upon all nonresidents who hold an occupation in the City of Jeannette;
and,
- (ii) Upon all residents who hold an occupation in the City of Jeannette.

c. ***(Optional)*** *Those persons that are subject to the tax pursuant to this Ordinance, but earn less than twelve thousand (\$12,000.00) dollars annually, shall be exempted herefrom upon*

the filing of an affidavit with their employer that they anticipate earning less than such stated amount due to seasonal employment or otherwise.

(1) A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with the office of the City Treasurer 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 twelve thousand dollars (\$ 12,000) in the calendar year for which the exemption certificate is filed. In the event the City of Jeannette is utilizing a tax collection officer to collect such taxes, the City Treasurer shall provide a copy of the exemption certificate to that officer. The exemption certificate shall have attached to it a copy of all the employee's last pay stubs 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 City Treasurer or except as required by paragraph (2) hereafter, 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 Department of Community and Economic Development shall develop and make available to political subdivisions and employers uniform exemption certificates required by this clause.

(2) 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 City that the person has received earned income and net profits from all sources within that political subdivision equal to or in excess of twelve thousand dollars (\$ 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 that political subdivision in an amount equal to or in excess of twelve thousand dollars (\$ 12,000) in that calendar year, an employer shall withhold the local services tax from the person under clause (3).

(3) 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 under paragraph (2) above, 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 clause (2), 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 subsection, 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 under this clause is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of tax due, and the City may pursue collection under this act.

(4) Except as provided in paragraph (2) above, it is the intent of this subsection that employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility or exempting any employee from a local services tax.

d. (1) The following persons shall be exempt from the payment of the local services tax imposed herein:

(i) 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 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 States Veterans' Administration or its successor to be a total one hundred percent permanent disability.

(ii) 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.

(2) For purposes of this subsection, "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. COLLECTION AT SOURCE.

a. Every employer who employs one (1) or more persons on a salary, wage, commission or other compensation basis whose earnings are subject to the tax imposed by this Part shall deduct the amount of tax levied by this Part from the salaries, wages, or compensation paid to the employee from the first payment made each year as measured from the enactment of this Part, from January 1 of each year thereafter, and from the date of hiring for each employee hired subsequent to the enactment hereof.

b. The tax shall be paid to the collector on a form furnished, if any, and/or shall include the employee's home address and social security number.

4. DESIGNATE A COLLECTOR.

The Council of the City of Jeannette shall designate a Tax Collector by resolution, and the compensation of such Collector shall be fixed by the Council by resolution. The Collector shall collect and receive all taxes imposed by this Part; furnish receipts for their payment; keep records showing amounts received by him from all taxpayers and the dates of such receipts; and keep such other records as may be from time to time required by the Council of the City of Jeannette.

5. POWERS OF COLLECTOR

The Tax Collector is hereby charged with the enforcement of the provisions of this Part and is authorized and empowered as follows:

a. To administer and enforce the provisions of this Part and all rules and regulations prescribed, adopted, and promulgated by the Council of the City of Jeannette relating to the

enforcement and administration hereof, and consistent with such rules and regulations shall have the power and authority to re-examine and correct any and all returns filed hereunder, and to compute, settle, resettle and discharge all taxes hereby levied.

b. The Collector or any agent or employee of the City of Jeannette, authorized in writing by the Collector, is hereby authorized and empowered to examine the books, papers and records of any employer or taxpayer in order to verify the accuracy of any return made, or if no return was made, to ascertain the tax imposed by this Part. Every such employer or taxpayer is hereby directed and required to give to the said Collector or a duly authorized agent or employee of the City of Jeannette, the means, facilities, and opportunity for such examination and investigations as are hereby authorized. The Collector is hereby authorized to examine any person under oath concerning any income which was or should have been returned for taxation, and to this end, may compel the production of books, papers and records and the attendance of all persons before him, whether as parties or witnesses, who he believes to have knowledge of such income.

c. Any information gained by the Collector or any authorized agent or employee of the City of Jeannette, as a result of any returns, investigations, hearings, or verification, required or authorized by this Part, shall be confidential, except for official purposes and except where disclosure of the contents thereof is required by proper judicial Order or decree, or as otherwise provided by law, and any person or agent who divulges any information so obtained shall, upon conviction thereof, be subject to a fine or penalty not exceeding \$600.00 dollars, and costs for each offense, or to undergo imprisonment for not more than thirty (30) days for the nonpayment of such fine or penalty and costs.

6. ADDITIONAL REGULATIONS AUTHORIZED.

The Council for the City of Jeannette shall be empowered from time to time to adopt by resolution additional rules and regulations pertaining to this Part, including, but not limited to regulations for the processing of refund claims for overpaid local services taxes for any calendar year. The regulations shall be consistent with 53 Pa.C.S. § 8425 (relating to refunds of overpayments) and 8426 (relating to interest on overpayment). Refunds made within seventy-five days of a refund request or seventy-five days after the last day the employer is required to remit the local services tax for the last quarter of the calendar year under section 9 of this act, whichever is later, shall not be subject to interest imposed under 53 Pa.C.S. § 8426. The City shall only provide refunds for amounts overpaid in a calendar year that exceed one dollar (\$1.00).

7. INTEREST AND PENALTY FOR LATE PAYMENT.

All taxes imposed by this Part remaining unpaid after they become due shall bear interest at the rate of 6% percent per year, and the persons upon whom said taxes are imposed shall be further liable to a penalty of $\frac{1}{2}$ of 1% percent of the amount of the unpaid tax for each month or fraction of a month during which the tax remains unpaid.

8. RECOVERY.

All taxes imposed by this Part, together with all interest and penalties accruing thereon, shall be recoverable by the City of Jeannette as other debts of like amounts are recoverable.

9. VIOLATION OF ORDINANCE.

Any violate of any provision of this Part shall, upon conviction thereof, be sentenced to pay a fine not exceeding six hundred (\$600.00) dollars and costs and, in default of payment thereof, shall be subject to imprisonment for a term not to exceed thirty (30) days. Each day that a violation of this Part continues shall constitute a separate offense.

10. APPLICABILITY.

The tax imposed by this Part shall not apply to any person as to whom it is beyond the legal power of the City of Jeannette to impose the tax or duties herein provided.

11. THE PROVISIONS OF THIS ORDINANCE ARE SEVERABLE.

If any sentence, clause, or section or this Ordinance is for any reason found to be unconstitutional, illegal, or invalid, such unconstitutionality, illegality, or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, or sections of this Ordinance. It is hereby declared to be the intent of the City of Jeannette that this Ordinance would have been adopted had such unconstitutional, illegal, or invalid sentence, clause, or section not be included herein. Any Ordinance or any part of any Ordinances, conflicting with the provisions of this Ordinance, be and the same is hereby repealed, so far as the same affects this Ordinance.

12. EFFECTIVE DATE.

The Part and the tax herein levied shall be effective for 2008 and on a continuing annual basis, unless the rate of said tax is subsequently changed.

13. REPEALER. This Ordinance hereby repeals in its entirety Ordinance No. 04-16, adopted DECEMBER 30, 2004, and the Emergency and Municipal Services Tax created thereby.

THIS ORDINANCE IS DULY ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF JEANNETTE AT A DULY ADVERTISED PUBLIC MEETING HELD THIS 12th DAY OF DECEMBER, 2007 AND SHALL TAKE EFFECT IMMEDIATELY.

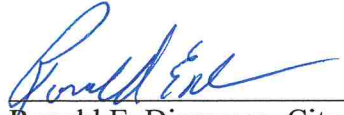
THE CITY OF JEANNETTE

By:



Michael Cafasso, Mayor and
President of Council

ATTEST:



Ronald E. Dinsmore, City Clerk