

CODE OF THE BOROUGH OF NORTHUMBERLAND

CHAPTER 53 – TAXATION

[HISTORY: Adopted by the Council of the Borough of Northumberland: Article I, 12-29-71 as Ord. No. 269; Article II, 12-9-71 as Ord. No. 269; Article III, 12-29-71 as Ord. No. 267; Article V, 12-4-79 as Ord. No. 357. Section 53-23A and B amended upon adoption of Code; see Ch. 1, General Provisions. Article III amended 12-19-05 by Ord. 2005-9; Article III amended 2-6-07 by Ord. 2007-1. Other amendments noted where applicable.]

General References: Amusements - see Ch. 22.

Licensed occupations - see Ch. 94.

ARTICLE I – PER CAPITA

[Adopted 12-29-71 as Ord. No. 269¹]

53.1.01 Tax levied. (53-1)

A per capita tax in the amount set by Resolution per annum is hereby levied and assessed upon each resident or inhabitant of the Borough of Northumberland over twenty-one (21) years of age, which tax shall be in addition to all other taxes levied and assessed by the Borough of Northumberland pursuant to any laws of the Commonwealth of Pennsylvania.

[As passed 12-18-2001 as part of Ord. No.2001-13, all fees for this and subsequent parts of the borough code are determined by council resolution.]

53.1.02 Collection by Tax Collector. (53-2)

Said tax shall be collected by the duly elected or appointed Tax Collector of Borough Taxes for the Borough of Northumberland in the same manner and at the same time or times as other borough taxes are collected, as provided by the Local Tax Collection Law of 1945, as amended and supplemented.

53.1.03 Bonding of Tax Collector. (53-3)

The Tax Collector shall give bond secured and conditioned for the collection and payment of such taxes, as provided by the Local Tax Collection Law of 1945, as amended and supplemented.

53.1.04 Warrant for collection. (53-4)

The entry of said per capita tax in the 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.

53.1.05 Compensation of Tax Collector. (53-5)

The expenses of collection and the compensation of the Tax Collector shall be paid and allowed as provided in the Local Tax Collection Law of 1945, as amended and supplemented, which compensation shall be the same as fixed from time to time by the Borough of Northumberland for the collection of other borough taxes.

53.1.06 Notice to taxpayers. (53-6)

The Tax Collector shall give notice to the taxpayers at the same time and in the same manner as for other borough taxes as provided by the Local Tax Collection Law of 1945, as amended and supplemented.

¹ Editor's Note: Adopted initially as Ord. No. 220 and continued as provided by Ord. No. 269, adopted 12-29-71.

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53.1.07 Reporting and recording new taxpayers. (53-7)

In case the Tax Collector or a Deputy Tax Collector shall at any time find within the Borough of Northumberland any resident or inhabitant above the age of twenty-one (21) years whose name does not appear upon the tax duplicate, he shall report the name of the person forthwith to the Assessor, who shall thereupon certify the same unto the Borough of Northumberland, which shall promptly certify the same to the Tax Collector reporting the name, whereupon the Tax Collector shall add the name and the assessment of this per capita tax against such person to the duplicate of the Borough of Northumberland and proceed to collect the same.

53.1.08 Collection by distress. (53-8)

The Tax Collector shall be and is hereby empowered with the authority to collect said tax by distress and sell all goods and chattels of the taxpayer, as provided therefor by the Local Tax Collection Law of 1945, as amended and supplemented.

53.1.09 Collection from employer. (53-9)

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 wife owes per capita taxes, or if in possession of unpaid commissions or earnings belonging to any person owing per capita taxes, upon presentation of written notice and demand containing the name of the taxable person or husband thereof, the amount of tax due. Upon 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 employees then owing or that shall within sixty (60) days thereafter become due, or from any unpaid commissions or earnings of any taxable in its or his possession or that shall within sixty (60) days thereafter come into its or his possession, a sum sufficient to pay the respective amount of the per capita taxes due and costs shown upon the written notice and demand, and to pay the same to the Tax Collector of the Borough of Northumberland within sixty (60) days after such notice shall have been given. The employer shall be entitled to deduct not more than two percent (2%) for his expenses for such moneys paid over to the Tax Collector. 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 such taxable 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 the Tax Collector on behalf of the Borough of Northumberland.

53.1.10 Records. (53-10)

The Tax Collector shall keep a correct account of all per capita taxes collected under this Article. He shall mark the same paid on each duplicate at the name of each taxable and the date on which payment was made. The Tax Collector shall remit said taxes to the Treasurer of the Borough of Northumberland by a separate statement at the same time as other taxes are remitted to the Borough of Northumberland.

53.1.11 Discount; penalty for late payment. (53-11)

[As passed 12/18/2001 as part of Ordinance 2001-13, all fees and penalties for this and subsequent parts of borough code are determined by council resolution]

53.1.12 Duties and powers of Tax Collector. (53-12)

It is the intent of this Article to confer, and there is hereby conferred, upon the Tax Collector all the powers, together with all the duties and obligations, to the same extent and as fully as provided for in the Local Tax Collection Law of 1945, as amended and supplemented.

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ARTICLE II – EARNED INCOME

[Adopted 12-29-71 as Ord. No. 2692]

53.2.01 Title; effective date of tax. (53-13)

This Article shall be known as the "Earned Income Tax Ordinance." The tax hereby levied shall become effective on July 1, 1964.

53.2.02 Definitions and usage. (53-14)

- A. Definitions. The following words and phrases, when used in this article, 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 (2) 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, corporation or 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 Article.

Employer An individual, fiduciary, association or corporation, as defined in this Article, or a governmental body or unit or agency, or any other entity employing one (1) or more persons on a salary, wages, commission or other compensation basis.

Income Tax Administrator The Secretary of the Borough of Northumberland or such other person as may be empowered by Borough Council to administer the provisions of this Article.

Net Profits The net income from the operation of a business or other activity after provisions for all costs and expenses incurred in the conduct thereof, either paid or accrued in accordance with the accounting system used in such business or other activity, but without deduction of taxes, federal or state or local, based on income.

Person An individual, fiduciary, association, 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 An individual domiciled in the Borough of Northumberland.

Salaries, Wages, Commissions 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, or that may accrue to such individual in accordance with the established accounting procedure, whether directly or through an agent, and whether in cash or in property or by entry of cash benefit, and regardless of the place where services are performed: but excluding 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, and public assistance or unemployment compensation benefits, and any wages or compensation paid by the United States to any person for active service in or recognized reserve duty under the provisions of programs of the Army, the Navy or Air Force of the United States or the Commonwealth of Pennsylvania or of any other state for such service.

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Taxable Period The period beginning on July 1, 1964 and ending December 31, 1964, provided that for additional calendar years the "taxable period" shall be January 1 to December 31 of the same year.

Taxpayer A person required hereunder to file a return of earnings or net profits or to pay a tax thereon.

- B. Usage. The singular shall include the plural and the masculine shall include the feminine and the neuter.

53.2.03 Imposition of tax. (53-15)

A tax for general revenue purposes of one-half of one percent (.5 of 1%) is hereby imposed on the following:

- A. Net profits earned by residents of the Borough of Northumberland during the taxable period.
- B. Salaries, wages, commissions and other compensation earned by residents of the Borough of Northumberland during the taxable period.

53.2.04 Declaration and payment. (53-16)

- A. Every taxpayer who can reasonably be expected to earn net profits or earnings not subject to provisions of 53.2.4 relating to collection at source shall make and file with the Income Tax Administrator, on a form prescribed by the Income Tax Administrator, a declaration of the estimated tax imposed thereon by this Article and such other relevant information as the Income Tax Administrator may require.
- B. The declaration of estimated tax shall be filed and the tax shall be paid at the following times:
 - 1. If said net earnings or profits cannot reasonably be expected on or before the 15th day of October of the taxable period, the taxpayer shall file a declaration on or before said date and shall pay the estimated tax shown thereon in equal quarterly installments on or before the said 15th day of October and on or before the 15th day of the following January, April and July.
 - 2. If said net earnings or profits cannot reasonably be expected on or before October 15th of the taxable period, but can reasonably be expected subsequent to said date, the taxpayer shall file his declaration on or before the first of said remaining quarterly installment dates on which the taxpayer can first reasonably be expected to earn such net profits or earnings and shall pay the estimated tax shown thereon in equal installments on or before said remaining quarterly installment dates.
 - 3. If, during the immediately preceding taxable period, the taxpayer filed a declaration on a calendar year basis setting for his estimated net profits or earnings for the current calendar year, then, in lieu of filing his declaration and making payments thereon at the times set forth in Subsections (1) or (2) immediately hereinabove, he may, on or before the 15th day of October and January of the taxable period, pay the quarterly installments of the estimated tax according to the declaration period filed, and, on or before the 15th day of April of the taxable period, file a declaration of the estimated tax for the portion of the taxable period included in the calendar year, and pay said tax in equal installments on or before said 15th day of April and the 15th day of the following July.
 - 4. If, during the immediately preceding taxable period, the taxpayer filed a declaration on a fiscal year basis different from the preceding taxable period, setting forth his estimated net profits or earnings for a period included in the taxable period, then, in lieu of filing his declaration and making payments thereon at the times set forth in Subsections (1) or (2) immediately hereinabove, he may pay the quarterly installments of the estimated tax according to declaration filed for the position of the taxable period included in said fiscal year, and, on or before the 15th day after the close of the fiscal year, file a declaration of the estimated tax for the portion of the taxable period in the said succeeding year and pay said tax in equal quarterly installments

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- beginning with the due date of the filing and ending with the first installment due date after the close of the taxable period.
5. If the taxpayer, not having done so during the immediately preceding taxable period, elects to file a declaration during the taxable period on a calendar year basis or on a fiscal year basis different from the taxable period, he may do so by complying with the applicable provisions of Subsection (1) and (2) immediately hereinabove for such portion of the taxable period as shall be included in such calendar or fiscal year.
- C. Where a taxpayer who has filed a declaration required hereinabove shall thereafter reasonably expect to earn during the taxable period additional net profits or earnings not subject to collection at source, or finds that he has overestimated his net profits or earnings, he may file an amended declaration with the Income Tax Administrator, setting forth such relevant information as the Income Tax Administrator may require.
 - D. Every taxpayer who is required to file a declaration of estimated tax under the provisions of this section shall make and file with the Income Tax Administrator, on a form prescribed by the Income Tax Administrator, a final return showing all net profits and earnings during the taxable period, the total amount of the tax due thereon, the amount of the estimated tax paid under the provisions of this section, the amount of the tax that has been withheld pursuant to the provisions of 53-17 and the balance of the tax due.
 - E. The final return shall be filed at the following times:
 1. If the taxpayer's declaration is filed on a calendar year basis, he shall file his final return on or before the 15th day of April after the close of such calendar year.
 2. If the taxpayer's declaration is filed on a fiscal year basis different from the taxable period, he shall file his final return on or before the 15th day of October after the close of the taxable period.
 - F. The percentage of the total net profits of any calendar or fiscal year of a taxpayer beginning or ending within the taxable period to which the tax imposed by this Article 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 the taxable period bears to the equal number of the days in any such year.
 - G. At the time of filing the final return, the taxpayer shall pay the balance of the tax due or shall make demand for a refund or credit for overpayment.
 - H. In the event of the death of the taxpayer during the taxable period, his personal representative or, in absence of a personal representative, his heirs as designated by the Pennsylvania Intestate Act of 1947, as amended, or as hereafter amended or supplemented, shall file his final return within sixty (60) days after the taxpayer's death and pay the tax due or demand a refund in case of overpayment.
 - I. In the event the taxpayer's taxable net earned income consists solely of salary, wage, commission or other compensation, the tax on which is withheld by his employer and returned to the Income Tax Administrator, such taxpayer shall be relieved of the necessity of filing a return.
 - J. The final return shall include net profits and earnings taxable under any other ordinance of the said Borough of Northumberland for the calendar year or fiscal year, so that but one (1) inclusive return shall be filed by every taxpayer for any one (1) calendar or fiscal year.

53.2.05 Collection at source. (53-17)

- A. Every employer doing business within the Borough of Northumberland who employs one (1) or more residents on a salary, wage, commission or other compensation basis shall deduct at the time of payment thereof the tax imposed by this Article on the earnings due to his employee or employees, and, within thirty (30) days after the 30th day of September of the taxable period and within thirty (30) days

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after each quarter of year thereafter, shall make and file a return with the Income Tax Administrator, setting forth the taxes so deducted and such other relevant information as the Income Tax Administrator may require, and shall pay to the Borough of Northumberland the amount of taxes so deducted.

- B. On or before the 15th day of February of the taxable period and the next succeeding taxable period, every employer shall make and file with the Income Tax Administrator, on a form prescribed by the Income Tax Administrator.
 - 1. A return similar to Form W-3 of the Internal Revenue Service of the United States Treasury Department, showing the total amount of the earnings of his employee or employees during the portion of the preceding calendar year embraced within the taxable period, the amount of tax deducted and the total amount of tax paid to the Borough of Northumberland.
 - 2. A return for each employee similar to Form W-2 of the Internal Revenue Service of the United States Treasury Department, showing the total amount of the employee's earnings during the portion of the preceding calendar year embraced within the taxable period and such other relevant information as the Income Tax Administrator may require. Such employer, on or before February 15 of each of said years, shall furnish a copy of such return to the employee named in the return.

The said return shall include the earnings taxable under any other ordinance of the Northumberland Borough for the same calendar year, so that one (1) W-2 or W-3 return shall be filed by an employer for any one (1) calendar year.

- C. Every employer who discontinues business prior to the Close of the taxable year shall, within thirty (30) days after the discontinuance of business, file the returns hereinabove required and pay the tax due. Where discontinuance of business is due to the death of the employer, his personal representative or, in the absence of a personal representative, his heirs as designated by the Pennsylvania Intestate Law of 1947, as amended, or hereafter amended or supplemented, shall, within sixty (60) days after the death of the employer, file his return and pay the tax due or demand refund in case of overpayment.
- D. The failure or omission of any employer to make deductions required by this section shall not relieve any employee from payment of the tax or from complying with the requirements of this Article relating to the filing declarations and returns.
- E. If an employer makes a deduction of tax as require by the section, the amount deducted shall constitute in the hands of such employer shall not be required in respect to earnings of domestic servants or farm labor nor casual labor not in the course of the employer's business. This subsection shall not be construed to exempt such employees from the requirements of filing a declaration and a return of such earnings and the payment of the tax thereon under the provisions of 53.2.04.

53.2.06 Powers and duties of Income Tax Administrator. (53-18)

- A. It shall be the duty of the Income Tax Administrator to collect and receive the taxes, fines and penalties imposed by this Article and 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.
- B. The Income Tax Administrator is hereby charged with the administration and enforcement of the provisions of this Article and is hereby empowered, subject to approval by the Council of the Borough of Northumberland, to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter pertaining to the administration and enforcement of this Article including provisions for the reexamination and correction of the declarations and returns and of payments alleged or found to be incorrect or as to which an overpayment is claimed or found to have occurred, and to prescribe forms necessary for the administration of this Article.

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- C. The Income Tax Administrator, and the agent designated in writing by him, are hereby authorized to examine the books, papers and records of any person in order to verify the accuracy of any declaration or return, if no declaration or return was filed, to ascertain the tax due. Every person is hereby directed and required to give to the Income Tax Administrator or to any agent so designated by him the means, facilities and opportunity for such examinations and investigations as are hereby authorized.
- D. Any information gained by the Income Tax Administrator, his agents or by any other official, agent or employee of the Borough of Northumberland as a result of any declarations, returns, investigations, hearings or verifications required or authorized by this Article shall be confidential and shall not be disclosed to any person except for official use in connection with the administration or enforcement of this Article or as otherwise provided by law.
- E. E. Any person aggrieved by any action of the Income Tax Administrator shall have the right of appeal as provided by law.

53.2.07 Suit for collection. (53-19)

- A. The Income Tax Administrator may sue in the name of the Borough of Northumberland for the recovery of taxes due and unpaid under this Article.
- B. Any suit brought to recover the tax imposed by this Article shall be begun within six (6) years after such tax is due or within six (6) years after the declaration or return has been filed, whichever date is later; provided, however, that this limitation shall not prevent the institution of a suit for the collection of any tax due or determined to be due in the following case:
 - 1. Where no declaration or return was filed by any person although a declaration or return was required to be filed by him under the provisions of this Article.
 - 2. Where false or fraudulent declaration or return was filed with intent to evade tax.
 - 3. Where any person has deducted taxes under the provisions of this Article and has failed to pay the amounts so deducted to the Borough of Northumberland.

53.2.08 Interest and penalties. (53-20)

If any tax is not paid when due, interest at the rate of six percent (6%) per annum on the amount of the said tax, and an additional penalty of one-half percent (.5%) 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 therefor shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

53.2.08 Payment and refunds. (53-21)

The Income Tax Administrator is hereby authorized to accept payment of the amount claimed by the Borough of Northumberland in any case where any person disputes the validity of the amount of the borough'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 Income Tax Administrator, the amount of the overpayment shall be refunded to the person who paid.

53.2.10 Applicability. (53-22)

The tax imposed by this Article shall not apply:

- A. To any person as to whom it is beyond the legal power of the Borough of Northumberland to impose the tax herein provided for under the Constitution of the United States or the Constitution or Laws of the Commonwealth of Pennsylvania.

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- B. To any institution or organization operated for public, religious, educational or charitable purposes, to any institution or organization not organized or operated for private profit or to a trust or foundation established for any of the said purposes.
- C. To the net profit of any corporation which is subject to the Pennsylvania Corporate Net Income Tax or exempt from the Pennsylvania Corporate Net Income Tax, and any foreign corporation which is subject to the Pennsylvania Franchise Tax or exempt from the Pennsylvania Franchise Tax.

53.2.11 *Violations and penalties. (53-23)*

- A. Any person who fails, neglects or refuses to make any declaration or return required by this Article; any employer who fails, neglects or refuses to pay any tax deducted from his employees: any person who refuses to permit the Income Tax Administrator or any agent properly designated by him to examine his books, records and paper: and any person who makes an incomplete, false or fraudulent return to avoid the payment of the whole or any part of the tax imposed by this Article, shall upon conviction thereof before a District Magistrate having jurisdiction, be sentenced to pay a fine [As passed 12/18/2001 as part of Ordinance 2001-13, all fees and penalties for this and subsequent parts of borough code are determined by council resolution]
- B. Any person who, except as permitted by the provisions of 53.2.06D of this Article, divulges any information which is confidential under the provisions of 53.2.06D, shall, upon conviction thereof before a District Magistrate having jurisdiction, be sentenced to pay a fine. [As passed 12/18/2001 as part of Ordinance 2001-13, all fees and penalties for this and subsequent parts of borough code are determined by council resolution]
- C. The penalties imposed under this section shall be in addition to any other penalty imposed by any other section of this Article.
- D. D. The failure of any person to receive or procure the forms required for making any declaration or return required by this Article shall not excuse him from making such declaration or return.

ARTICLE III – LOCAL SERVICES TAX

[This tax replaces the Occupational Privilege Tax Adopted 12-29-71 as Ord. No. 267; Amended 12-19-05 by Ord. 2005-9; Amended 2-06-07 by Ord. 2007-1; Amended 01-02-2018 by Ord. 2018-2]

53.3.01 *Tax levied. (53-24)*

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

Political Subdivision - The area within the corporate limits of the Borough of Northumberland

Collector - The person, public employee or private agency designated by the political subdivision to collect and administer the tax herein imposed.

DCED - The Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Earned Income - Compensation as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of Dec. 31, 1965, P.L. 1257, § 13, as amended, 53 P.S. § 6913, as amended.

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

He, His or Him - Indicates the singular and plural number, as well as male, female and neuter genders.

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Net Profits - The net income from the operation of a business, profession; or other activity, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of Dec. 31, 1965, P. L. 1251, § 13, as amended, 53 P.S. § 6913, as amended.

Occupation - Any trade, profession, business or undertaking of any type, kind or character, including services, domestic or other, earned on or performed within the corporate limits of the political subdivision for which compensation is charged or received; whether by means of salary, wages, commission or fees for services rendered.

Tax - The local services tax at the rate fixed in §53.32 of this article.

Tax Year - The period from January 1 until December 31 in any year; a calendar year.

53.3.02 Levy of Tax.

For specific revenue purposes, an annual tax is hereby levied and assessed, commencing January 1, 2018, upon the privilege of engaging in an occupation with a primary place of employment within the Borough of Northumberland during the tax year. Each natural person who exercises such privilege for any length of time during any tax year shall pay the tax for that year in the amount of \$52.00 (fifty-two), assessed on a pro rata basis, in accordance with the provisions of this article. This tax may be used solely for the following purposes as the same may be allocated by the Borough Council from time to time: (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; or (4) property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53Pa C.S. Ch. 85, Subch F (relating to homestead property exclusion). The political subdivision shall use no less than twenty-five percent of the funds derived from the tax for emergency services. This tax is in addition to all other taxes of any kind or nature heretofore levied by the political subdivision. The tax shall be no more than \$52 (fifty-two) on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed.

53.3.03 Exemptions and refunds.

A. Exemption. Any person whose total earned income and net profits from all sources within the political subdivision is less than twelve thousand (\$12,000) dollars for any calendar year in which the tax is levied is exempt from the payment of the tax for that calendar year. In addition, the following persons are exempt from payment of the tax:

1. 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 disability.
2. 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. For the purposes of this subparagraph, "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.

B. Procedure to Claim Exemption.

1. A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with the political subdivision 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 political subdivision utilizes a tax

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collection officer, it 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 tax. Upon receipt of the exemption certificate and until otherwise instructed by the political subdivision or except as required by clause (2), 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 certificate form shall be the uniform form provided by the political subdivision.

2. With respect to a person who claimed an exemption for a given calendar year from the tax, upon notification to an employer by the person or by the political subdivision that the person has received earned income and net profits from all sources within the 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 the municipality 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 tax becomes subject to the tax for the calendar year under clause (2), 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 political subdivision may pursue collection under this article.
 4. Except as provided in clause (2), 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 the local services tax.
- C. Refunds. The Borough of Northumberland, in consultation with the Collector and DCED, shall establish procedures for the processing of refund claims for any tax paid by any person who is eligible for exemption, which procedures shall be in accord with provisions of the general municipal law relating to refunds of overpayments and interest on overpayments. 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 tax for the last quarter of the calendar year, whichever is later, shall not be subject to interest. No refunds shall be made for amounts overpaid in a calendar year that do not exceed one dollar (\$1): The Borough Council's designee or the Collector shall determine eligibility for exemption and provide refunds to exempt persons.

53.3.04 Duty of employers to collect.

1. Each employer within the political subdivision, as well as those employers situated outside the political subdivision but who engage in business within the political subdivision, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within the political subdivision and making a return and payment thereof to the Collector. Further,

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each employer is hereby authorized to deduct this tax for each employee in his or her employ, whether said employee is paid by salary, wage or commission and whether or not all such services are performed within the political subdivision.

2. A person subject to the tax shall be assessed by the employer a pro rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro rata share of the tax assessed on the person for a payroll period shall be determined by dividing the rate of the 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 tax shall be made on a payroll period basis for each payroll period in which the person is engaging in an occupation, except as provided in Paragraph D of this Section, For purposes of this paragraph, combined rate shall mean the aggregate annual rate of the tax levied by the school district and the municipality.
3. No person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll period.
4. In the case of concurrent employment, an employer shall refrain from withholding the 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 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 principal place of employment within two weeks of its occurrence. The employee's statement shall be provided on the form approved by DCED.
5. The tax shall be no more than fifty-two dollars (\$52) on each person for each calendar year, irrespective of the number of political subdivisions within which a person maybe employed. The political subdivision shall provide a taxpayer a receipt of payment upon request by the taxpayer.
6. No employer shall he held liable for failure to withhold the 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 plates of employment, the employee's principal office or where the employee is principally employed. Further, 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 complies with the provisions of Paragraph B of Section 231-9.1 of this article and this section and remits the amount so withheld in accordance with this article.
7. Employers shall be required to remit the local services taxes thirty days after the end of each quarter of a calendar year.

53.3.05 Returns

Each employer shall prepare and file a return showing a computation of the tax on forms to be supplied to the employer by the Collector. If an employer fails to file the return and pay the tax, whether or not the employer makes collection thereof from the salary, wages or commissions paid by him or her to an employee, except as provided hereafter in this article, the employer-shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer. - ,

53.3.06 Dates for determining tax liability and payment.

In each tax year, each employer shall use his or her employment records to determine the number of employees from whom such tax shall be deducted and paid over to the Collector on or before the thirtieth day following the end of each calendar quarter of each such tax year.

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53.3.07 Self-employed individuals.

Each self-employed individual who performs services of any type or kind or engages in any occupation or profession within a primary place of employment within the political subdivision shall be required to comply with this article and pay the pro rata portion of the tax due to the Collector on or before the thirtieth day following the end of each quarter.

53.3.08 Individuals engaged in more than one occupation or employed in more than one political subdivision.

1. 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. 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 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 his or her principal office or is principally employed;
 - b. Second, the political subdivision in which the person resides and works if the 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.
2. In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment constitutes prima facie certification of payment to all other political subdivisions.

53.3.09 Nonresidents subject to tax.

All employers and self-employed individuals residing or having their places of business outside of the political subdivision but who perform services of any type or kind or engage in any occupation or profession within the political subdivision do, by virtue thereof, agree to be bound by and subject themselves to the provisions, penalties and regulations promulgated under this article with the same force and effect as though they were residents of the political subdivision. Further, any individual engaged in an occupation within the political subdivision and an employee of a nonresidential employer may, for the purpose of this article, be considered a self-employed person, and in the event his or her tax is not paid, the political subdivision shall have the option of proceeding against either the employer or employee for the collection of this tax as hereinafter provided.

53.3.10 Administration of tax.

- The Collector shall be appointed by resolution of the political subdivision. It shall be the duty of the Collector to accept and receive payments of this tax and to keep a record thereof showing the amount received by him from each employer of self-employed person, together with the date the tax was received.
- The Collector is hereby charged with the administration and enforcement of this article and is hereby charged and empowered, subject to municipal approval, to proscribe, adopt and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this article, including provisions for the examination of payroll records of any employer subject to this article, the examination and correction of any return made in compliance with this article 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 consistent with

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the Local Taxpayers Bill of Rights under Act 50 of 1998 (municipalities may detail their appeal processes).

- 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.

53.3.11 Suits for collection.

- A. In the event that any tax under this article remains due or unpaid 30 days after the due dates above set forth, the Collector may sue for the recovery of any such tax due or unpaid under this article, together with interest and penalty.
- B. If for any reason the tax is not paid when due, interest at the rate of 6% on the amount of such tax shall be calculated beginning with the due date of the tax and a penalty of 5% shall be added to the flat rate of such tax for nonpayment thereof. Where suit is brought for the recovery of this tax or other appropriate remedy undertaken, the individual liable therefor shall, in addition, be responsible and liable for the costs of collection.

53.3.12 Violations and penalties.

Whoever makes any false or untrue statement on any return required by this article, or whoever refuses inspection of the books, records or accounts in his or her custody and control setting forth the number of employees subject to this tax who are in his or her employment, or whoever fails or refuses to file any return required by this article shall be guilty of a violation and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$600 and costs of prosecution, and, in default of payment of such fine and costs, to imprisonment for not more than 30 days. The action to enforce the penalty herein prescribed may be instituted against any person in charge of the business of any employer who shall have failed or who refuses to file a return required by this article.

53.3.13 Interpretation.

- A. Nothing contained in this article shall be construed to empower the political subdivision to levy and collect the tax hereby imposed on any occupation not within the taxing power of the political subdivision 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 article shall be held by any court of competent jurisdiction to be in violation of the Constitution of the United States or of 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 said tax or the validity of the tax so imposed on other persons or individuals as herein provided.

ARTICLE IV – REAL PROPERTY

53.4.01 Current ordinance on file. (53-30)

A copy of the ordinance or resolution establishing the current rate of the tax levied annually on the assessed valuation of real property within the borough is kept on file in the office of the Borough Secretary for examination and inspection by the public.

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53.4.02 Effect of Failure to Receive Real Estate Tax Notice

- A. As provided in section 7 of the Local Tax Collection Law, 72 P.S. § 5511.7, except as set forth in section B of this section, failure to receive notice shall not relieve any taxpayer from the payment of any taxes imposed by any taxing district, and such taxpayer shall be charged with his taxes as though he had received notice.
- B. Waiver of additional charges pursuant to the Act of Jul. 11, 2022, P.L. 701, No. 57:
1. Pursuant to the Act of July. 11, 2022, P.L. 701, No. 57, the tax collector shall waive additional charges for real estate taxes beginning in the first tax year after the effective date of Act of Jul. 11, 2022, P.L. 701, No. 57, if the taxpayer does all of the following:
 - a. Provides a waiver request of additional charges to the tax collector in possession of the claim within twelve months of a qualifying event;
 - b. Attests that a notice was not received;
 - c. Provides the tax collector in possession of the claim with one of the following:
 - i. A copy of the deed showing the date of real property transfer; or
 - ii. A copy of the title following the acquisition of a mobile or manufactured home subject to taxation as real estate showing the date of issuance or a copy of an executed lease agreement between the owner of a mobile or manufactured home and the owner of a parcel of land on which the mobile or manufactured home will be situated showing the date the lease commences; and
 - d. Pays the face value amount of the tax notice for the real estate tax with the waiver request.
 2. Requests for waiver of additional charges pursuant to this section shall be made on a form provided by the Pennsylvania Department of Community and Economic Development, available upon request from the Borough, which form shall include a space for attestation by the taxpayer.
 3. A taxpayer granted a waiver and paying real estate tax as provided in this subsection shall not be subject to an action at law or in equity for an additional charge, and any claim existing or lien filed for an additional charge shall be deemed satisfied.
 4. A tax collector that accepts a waiver and payment in good faith in accordance with this section shall not be personally liable for any amount due or arising from the real estate tax that is the subject in the waiver.
 5. As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:
 - a. The term "additional charge" shall mean any interest, fee, penalty or charge accruing to and in excess of the face amount of the real estate tax as provided I the real estate tax notice.
 - b. The term "qualifying event" shall mean:
 - i. For purposes of real property, the date of transfer of ownership.
 - ii. For purposes of manufactured or mobile homes, the date of transfer of ownership or the date a lease agreement commences for the original location or relocation of a mobile or manufactured home on a parcel of land not owned by the owner of the mobile or manufactured home. The term does not include the renewal of a lease for the same location.
 - c. The term "tax collector" shall mean a tax collector as defined in section 2 of the Local Tax Collection Law, 72 P.S. §5511.2, a delinquent tax collector as provided in section26a of the Local Tax Collection Law, 72 P.S. §551.26a, the tax claim bureau or an alternative collector of taxes as provided in the Real Estate Tax Sale Law, 72 P.S.§ 5860.101, et seq., an employee,

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agent or assignee authorized to collect the tax, a purchaser of claim for the tax or any other person authorized by law or contract to secure collection of, or take any action at law or in equity against, the person or property of the taxpayer for the real estate or amounts, liens or claims derived from the real estate tax.

ARTICLE V – REALTY TRANSFER TAX

[Adopted 12-4-79 as Ord. No. 357]

53.5.01 Definitions. (53-31)

The following words when used in this Article shall have meanings ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

Association A partnership, limited partnership, or any other form of unincorporated enterprise, owned or conducted by two (2) or more persons.

Corporation A corporation or joint-stock association organized under the laws of this commonwealth, the United States, or any other state, territory or foreign country dependency, including but not limited to banking institutions.

Document Any deed, instrument or writing whereby any lands, tenements or hereditaments within this commonwealth or any interest therein shall be quitclaimed, granted, bargained, sold or otherwise conveyed to the grantee, purchaser or any other person, but does not include wills, mortgages, transfers between corporations operating housing projects pursuant to the Housing and Redevelopment Assistance Law and the shareholders thereof, transfers between nonprofit industrial development agencies and industrial corporations purchasing from them, any transfers to nonprofit industrial development agencies, and transfers between husband and wife, transfers between persons who were previously husband and wife but who have since been divorced, provided that such transfer is made within three (3) months of the date of the granting of the final decree in divorce, and 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, transfers between parent and child or the spouse of such a child or between parent and trustee for the benefit of a child or the spouse of such child, by and between a principal and straw party for the purpose of placing a mortgage or ground rent upon the premises, correctional deeds without consideration, transfers to the United States, the Commonwealth of Pennsylvania, or to any of their instrumentalities, agencies or political subdivisions, by gift, dedication or deed in lieu of condemnation, or deed of confirmation in connection with condemnation proceedings, or reconveyance by the condemning body of the property condemned to the owner of record at the time of condemnation, which reconveyance may include property line adjustments, provided that said reconveyance is made within one (1) year from the date of condemnation, leases, a conveyance to a trustee under a recorded trust agreement for the express purpose of holding title in trust as security for a debt contracted at the time of the conveyance under which the trustee is the lender and requiring the trustee to make reconveyance to grantor-borrower upon the repayment of the debt, or a transfer by the owner of previously occupied residential premises to a builder of new residential premises when such previously occupied residential premises is taken in trade by such builder as part of the consideration from the purchaser of a new previously unoccupied residential premises or any transfer from a purchase money mortgagor to the vendor holding the purchase money mortgage whether pursuant to a foreclosure or in lieu thereof, or conveyances to municipalities, townships, school districts and counties pursuant to acquisition by municipalities, townships, school districts and counties of tax delinquent properties at sheriff sale or tax claim bureau, or any transfer between religious organizations or other bodies or persons holding title to real estate for a religious organization if such real estate is not

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being or has not been used by such transferor for commercial purposes, or in any sheriff sale instituted by a mortgagee in which the purchaser of said sheriff sale is the mortgagee who instituted said sale.

TRANSACTION The making, executing, delivering, accepting or presenting for recording of a document.

VALUE In the case of any document granting, bargaining, selling or otherwise conveying any land, tenement or hereditament, or interest therein, the amount of the actual consideration therefor, including liens or other encumbrances thereon, and ground rents, or a commensurate part of the liens or other encumbrances thereon, and ground rents, where such liens or other encumbrances and ground rents, also encumber or are charged against other lands, tenements or hereditaments, provided that, where such documents shall set forth a small or nominal consideration, the "value" thereof shall be determined from the price set forth in, or actual consideration for, the contract of sale or, in the case of a gift, or any other document without consideration, from the actual monetary worth of the property granted, bargained, sold, or otherwise conveyed, which in either event shall not be less than the amount of the highest assessment of such lands, tenements or hereditaments for local tax purposes.

53.5.02 Rate. (53-32)

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, or for or in respect of the vellum, parchment or paper upon which such document is written or printed, a tax at the rate of one per centum (1%) of the value of the property represented by such document, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting for recording, such document.

53.5.03 Transfers by real estate brokers. (53-33)

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 part of the 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. If the tax due upon the transfer from the licensed real estate broker is greater than the credit given for the prior transfer, the difference shall be paid, and, if the credit allowed is greater than the amount of the tax due, no refund shall be allowed.

53.5.04 Value of document to be set forth. (53-34)

Every document, when lodged with or presented to any recorder of deeds in this commonwealth 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 an affidavit 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 Article.

53.5.05 Adoption of regulations. (53-35)

The regulations of the Department of Revenue of the Commonwealth of Pennsylvania relating to the state realty transfer tax, as they may from time to time be amended, are hereby adopted as the regulations of the Borough of Northumberland relating to the borough realty transfer tax.

53.5.06 Collection agent. (53-36)

The Recorder of Deeds of Northumberland County, Pennsylvania, is hereby appointed the borough's agent for collection of the realty transfer tax. A commission shall be allowed to said Recorder's one percent (1%) of the collected.

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53.5.07 Violations and penalties. (53-37)

It shall be unlawful for any person to make, execute, deliver, accept, or present for recording, or cause to be made, executed, delivered, accepted, or presented for recording, any document without the full amount of the tax thereon being duly paid. Any person violating the provisions of this Article shall, upon conviction therefor, be sentenced to pay a fine of not less than one hundred dollars (\$100.00) nor more than three hundred dollars (\$300.00) and costs and, upon default of the payment of said fine and costs, to undergo imprisonment for not more than thirty (30) days.

53.5.08 Collection of unpaid taxes. (53-38)

Unpaid taxes may be collected by suit in assumpsit or other appropriate remedy. Upon each such judgment, execution may be issued without any stay or benefit of any exemption law.