

## **Chapter 24**

### **Taxation; Special**

#### **Part 1**

#### **Earned Income Tax**

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**Part 1****Earned Income Tax****§24-101. Title.**

This Part is enacted by Borough of Dauphin pursuant to the authority granted by Act No. 511 of 1965, approved December 31, 1965 (known as the "Local Tax Enabling Act") as amended, and shall be known as the "Earned Income Tax Ordinance." The provisions hereof shall become effective on January 1, 1995.

(*Ord. 94-2, --/1994, §1*)

**§24-102. Incorporation of Statute.**

The provisions of §13 of the Local Tax Enabling Act, Act No. 511 of 1965, 53 P.S. §6913, are incorporated herein by reference, as required by law. Where options are provided in said §13, this Part designates the option selected, except that the Borough of Dauphin reserves the right to change the options regarding filing of returns and times of payment, by action duly taken by the Borough Council of the Borough of Dauphin by regulation, resolution, or ordinance, as the case may require.

(*Ord. 94-2, --/1994, §2*)

**§24-103. Imposition of Tax.**

1. A tax for general revenue purposes is hereby imposed at the rate of 1 percent on the following:

A. Earned income received or earned on and after January 1, 1995, by residents of the Borough of Dauphin.

B. Earned income received or earned on and after January 1, 1995, by nonresidents of the Borough of Dauphin within the Borough of Dauphin.

C. Net profits received or earned on and after January 1, 1995, by residents of the Borough of Dauphin.

D. Net profits received or earned on or after January 1, 1995, in the Borough of Dauphin by nonresidents of the Borough of Dauphin from businesses, professions or other activities conducted in the Borough of Dauphin.

2. The tax levied upon earned income shall relate to and be imposed upon that earned income paid by employer or on his behalf to a taxpayer who is employed by or renders service to him. The tax levied upon net profits herein shall relate to and be imposed on the net profits of any business, profession or other activity carried on by any taxpayer.

3. The tax hereby levied and assessed shall be applicable to earned income received and to net profits earned on and after January 1, 1995, through December 31, 1995, and shall continue in force and effect for each calendar year thereafter, as provided in the Local Tax Enabling Act, Act No. 511 of the Session of 1965 of the General Assembly, 53 P.S. §6913, as amended.

(*Ord. 94-2, --/1994, §3*)

**§24-104. Declaration, Return and Payment of Tax.**

1. *Net Profits.* Every taxpayer making net profits in any year beginning with the year 1995 shall file on or before April 15 a declaration of his estimated net profits for the current year; shall pay the tax due thereon in quarterly installments, on or before April 15, June 15, September 15 of the current year and January 16, of the succeeding year and shall file a final return and pay to the officer or bureau the balance of the tax due; on April 15, of the succeeding year, all as provided in §13, III, A(3) of the Local Tax Enabling Act.

2. *Earned Income.* For each year beginning with the year 1995, every taxpayer shall make and file a final return on or before April 15 and pay the tax due, all as provided in §13, III, B, first paragraph, of the Local Tax Enabling Act.

3. *Earned Income Not Subject to Withholding.* Every taxpayer who is employed for a salary, wage, commission or other compensation and who received any earned income not subject to the provisions relating to collection at source, shall, beginning with the year 1995, make and file with the officer on a form prescribed or approved by the officer, a quarterly return on or before April 30 of the current year, July 31 of the current year, October 31, of the current year, and January 31 of the succeeding year, setting forth the aggregate amount of earned income not subject to withholding by him during the 3-month periods ending March 31, of the current year, June 30 of the current year, September 30 of the current year, and December 31 of the current year, respectively, and subject to the tax, together with such other information as the officer may require. Every taxpayer making such return shall at the time of filing thereof, pay to the officer the amount of tax shown as due thereon, all as provided in §13, (III)(B)(2), of the Local Tax Enabling Act.

(Ord. 94-2, --/1994, §4)

**§24-105. Collection at Source.**

1. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the geographical area of the Borough of Dauphin shall deduct the tax imposed by this Part on the earned income payable by him to his employee or employees. Said employers shall file quarterly returns and final returns and pay quarterly to the officer the amount of taxes deducted, all as set forth in §13, IV(b) of the Local Tax Enabling Act. The returns shall be for calendar quarters and shall be returned and the tax paid on or before April 30, July 31, and October 31 of the current year and January 31 of the succeeding year.

A. On or before February 28, 1996, and on each February 28 thereafter, every employer shall file with the officer:

(1) An annual return showing the total amount of earned income paid, the total amount of tax deducted, and the total amount of tax paid to the officer for the period beginning January 1 and ending December 31 of the prior year.

(2) A return withholding statement for each employee employed during all or any part of the period beginning January 1 of the prior year and ending December 31 of the prior year setting forth the employee's name, address and Social Security number, the amount of earned income paid to the employee during said period, the amount of tax deducted, the political subdivisions imposing the tax upon such employee, the amount of tax paid to the officer.

Every employer shall furnish two copies of the individual return to the employee for whom it is filed.

3. Every employer who discontinues business prior to December 31 of any year shall, within 30 days after discontinuance of business, file returns and withholding statements herein above required and pay the tax due.

4. No employer shall be required to register, deduct taxes, file returns or pay taxes in the cases of domestic servants.

*(Ord. 94-2, --/1994, §5)*

**§24-106. Administration.**

The income tax officer or bureau shall be selected from time to time by action the Borough of Dauphin. Such officer or bureau shall have the powers and duties, and be subject to the penalties, provided in the Local Tax Enabling Act, Act 511 of the 1965 Session of the General Assembly, as amended.

*(Ord. 94-2, --/1994, §6)*

**§24-107. Applicability.**

The tax imposed in §24-103 of this Part shall not be levied on the net profits of any person, institution or organization as to whom it is beyond the power of the Borough of Dauphin to impose said tax under existing law, the Constitution of the United States of America, or the Constitution and laws of the Commonwealth of Pennsylvania.

*(Ord. 94-2, --/1994, §7)*

