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PART 1

REALTY TRANSFER TAX

§101. Imposition and Purposes.

The Board of Supervisors of the Township of Vernon enacts this Part to levy a tax of 1% on the transfer of real property and real estate in the Township of Vernon, Crawford County, Pennsylvania, in order to provide for additional and sufficient revenues for the Township of Vernon, Crawford County, Pennsylvania, to meet the general obligations of the Township of Vernon, Crawford County, Pennsylvania, now and in the future and specifically imposes this tax under the provisions of Article XI-D of the Tax Reform Code of 1971 as amended and supplemented from time to time.¹

(Ord. 1986-21, -/1987, §1; as amended by Ord. 2007-01, 3/1/2007)

§102. Definitions.

The following words, when used in this Part, shall have the meanings ascribed to them in this section:

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

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

DOCUMENT — any deed, instrument or writing which conveys, transfers, demises, vests, confirms or evidences any transfer or demise of title to real estate but does not include wills, mortgages, deeds of trust or other instruments of like character given as security for a debt and deeds of release thereof to the debtor, land contracts whereby the legal title does not pass to the grantee until the total consideration specified in the contract has been paid or any cancellation thereof unless the consideration is payable over a period of time exceeding 30 years or instruments which solely grant, vest or confirm a public utility easement. "Document" shall also include a declaration of acquisition required to be presented for recording under §108 of this Part.

FAMILY FARM CORPORATION — a corporation of which at least 75% of its assets are devoted to the business of agriculture and at least 75% of each class of stock of the corporation is continuously owned by members of the same family. The business of agriculture shall not be deemed to include:

¹ Editor's Note: See 72 P.S. §8101-D et seq.

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- (1) Recreational activities such as, but not limited to, hunting, fishing, camping, skiing, show competition or racing.
- (2) The raising, breeding or training of game animals or game birds, fish, cats, dogs or pets or animals intended for use in sporting or recreational activities.
- (3) Fur farming.
- (4) Stockyard and slaughterhouse operations.
- (5) Manufacturing or processing operations of any kind.

MEMBER OF THE SAME FAMILY — any individual, such as individual's both-ers and sisters, the brothers and sisters of such individual's parents and grand-parents, the ancestors and lineal descendants of any of the foregoing, a spouse of any of the foregoing and the estate of any of the foregoing. Individuals related by the half blood or legal adoption shall be treated as if they were related by the whole blood.

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

REAL ESTATE –

- (1) Any lands, tenements or hereditaments within this Commonwealth including, without limitation, buildings, structures, fixtures, mines, minerals, oil, gas, quarries, spaces with or without upper or lower boundaries, trees and other improvements, immovables or interests which, by custom, usage or law, pass with a conveyance of land, but excluding permanently attached machinery and equipment in an industrial plant.
- (2) A condominium unit.
- (3) A tenant-stockholder's interest in a cooperative housing corporation, trust or association under a proprietary lease or occupancy agreement.

REAL ESTATE COMPANY — a corporation or association which is primarily engaged in the business of holding, selling or leasing real estate, 90% or more of the ownership interest in which is held by 35 or fewer persons and which:

- (1) Derives 60% or more of its annual gross receipts from the ownership or disposition of real estate.

- (2) Holds real estate, the value of which comprises 90% or more of the value of its entire tangible asset holdings exclusive of tangible assets which are freely transferable and actively graded on an established market.

TITLE TO REAL ESTATE –

- (1) Any interest in real estate which endures for a period of time, the termination of which is not fixed or ascertained by a specific number of years including, without limitation, an estate in fee simple, life estate or perpetual leasehold.
- (2) Any interest in real estate enduring for a fixed period of years but which, either by reason of the length of the term or the grant of a right to extend the term by renewal or otherwise, consists of a group of rights approximating those of an estate in fee simple, life estate or perpetual leasehold including, without limitation, a leasehold interest or possessory interest under a lease or occupancy agreement for a term of 30 years or more or a leasehold interest or possessory interest in real estate in which the lessee has equity.

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

VALUE –

- (1) In the case of an bona fide sale of real estate at arm's length for actual monetary worth the amount of the actual consideration therefore, paid or to be paid, including liens or other encumbrances thereon existing before the transfer and not removed thereby, whether or not the underlying indebtedness is assumed, and ground rents, or a commensurate part thereof where such liens or other encumbrances and ground rents also encumber or are charged against other real estate; provided, that where such documents shall set forth a nominal consideration the "value" thereof shall be determined from the price set forth in or actual consideration for the contract of sale.
- (2) In the case of a gift, sale by execution upon a judgment or upon the foreclosure of a mortgage by a judicial officer, transactions without consideration or for consideration less than the actual monetary worth of the real estate, a taxable lease, an occupancy agreement, a leasehold or possessory interest, any exchange of properties or the real estate of an acquired company, the actual monetary worth of the real estate determined by adjusting the assessed value of the real estate for local real estate tax purposes for the common level ratio of assessed values to market values of the taxing district as established by the State Tax Equalization Board or a commensurate part of the assessment where the assessment includes other real estate.

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- (3) In the case of an easement or other interest in real estate the value of which is not determinable under Subsection (1) or (2), the actual monetary worth of such interest.
- (4) The actual consideration for or actual monetary worth of any executory agreement for the construction of buildings, structures or other permanent improvements to real estate between the grantor and other persons existing before the transfer and not removed thereby or between the grantor, the agent or principal of the grantor or a related corporation, association or partnership and the grantee existing before or effective with the transfer.

(Ord. 1986-21, -/1987, §2)

§103. Rate of Tax; When Payable.

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 on which such document is written or printed, a realty transfer tax at the rate of 1% of the value of the real estate represented by such document, which realty transfer tax shall be payable at the earlier of the time the document is presented for recording or within 30 days of making, execution, delivery or acceptance of such document or within 30 days of becoming an acquired company.

(Ord. 1986-21, -/1987, §3)

§104. To Whom Tax is Payable.

1. The tax levied and imposed in this Part shall be payable to the persons hereinafter indicated.
2. In the case of a document presented for recording the tax shall be paid, at the time of the presenting for recording of such document, to the Recorder of Deeds of Crawford County, Pennsylvania, or his/her duly authorized agent.
3. In the case of a document made, executed, delivered or accepted but not presented for recording the tax herein imposed shall be payable to the Township Secretary or his/her duly authorized agent.
4. The Township may, from time to time, provide additional methods for the collection of the tax herein imposed and may adopt instructions, additional regulations and policies for administering and enforcing this Part and may in order to facilitate and expedite the collection of said tax said Township may appoint one or more additional responsible persons as their agent, or agents, for the collection thereof.

(Ord. 1986-21, -/1987, §4)

§105. Exempt Parties.

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

(Ord. 1986-21, -/1987, §5)

§106. Excluded Transactions.

1. The tax imposed by this Part shall not be imposed upon:
 - A. A transfer to the Commonwealth or to any of its instrumentalities, agencies or political subdivisions by gift, dedication or deed in lieu of condemnation or deed of confirmation in connection with condemnation proceedings or a reconveyance by the condemning body of the property condemned to the owner of record at the time of condemnation, which reconveyance may include property line adjustments provided said reconveyance is made within one year from the date of condemnation.
 - B. A document which the Commonwealth is prohibited from taxing under the Constitution or statutes of the United States.
 - C. A conveyance to a municipality, township, school district or county pursuant to acquisition by the municipality, township, school district or county of a tax delinquent property at Sheriff sale or Tax Claim Bureau sale.
 - D. A transfer for no or nominal actual consideration which corrects or confirms a transfer previously recorded but which does not extend or limit existing record legal title or interest.
 - E. A transfer or division in kind for no or nominal actual consideration of property passed by testate or intestate succession and held by cotenants; however, if any of the parties take shares greater in value than their undivided interest, tax is due on the excess.
 - F. A transfer between husband and wife, between persons who were previously husband and wife who have since been divorced, provided that the property or interest therein subject to such transfer was acquired by the husband and wife or husband or wife prior to the granting of the final decree in divorce, between parent and child or the spouse of such child, between brother or sister or spouse of a brother or sister and brother or sister or the spouse of a

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brother or sister and between a grandparent and grandchild or the spouse of such grandchild except that a subsequent transfer by the grantee within one year shall be subject to tax as if the grantor were making such transfer.

- G. A transfer for no or nominal actual consideration of property passing by testate or intestate succession from a personal representative of a decedent to the decedent's devisee or heir.
- H. A transfer for no or nominal actual consideration to a trustee of an ordinary trust where the transfer of the same property would be exempt if the transfer was made directly from the grantor to all of the possible beneficiaries, whether or not such beneficiaries are contingent or specifically named. No such exemption shall be granted unless the Recorder of Deeds is presented with a copy of the trust instrument that clearly identifies the grantor and all possible beneficiaries.
- I. A transfer for no or nominal actual consideration from a trustee to a beneficiary of an ordinary trust.
- J. A transfer for no or nominal actual consideration from trustee to successor trustee.
- K. A transfer for no or nominal actual consideration between principal and agent or straw party or from or to an agent or straw party where, if the agent or straw party were his principal, no tax would be imposed under this Part. Where the document by which title is acquired by a grantee or statement of value fails to set forth that the property was acquired by the grantee from, or for the benefit of, his principal, there is a rebuttable presumption that the property is the property of the grantee in his individual capacity if the grantee claims an exemption from taxation under this Part.
- L. A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation except where it is reasonably determined that the primary intent for such merger, consolidation or division is avoidance of the tax imposed by this Part.
- M. A transfer from a corporation or association of real estate held of record in the name of the corporation or association where the grantee owns stock of the corporation or an interest in the association in the same proportion as his interest in or ownership of the real estate being conveyed and where the stock of the corporation or the interest in the association has been held by the grantee for more than two years.
- N. A transfer from a nonprofit industrial development agency or authority to a grantee of property conveyed by the grantee to that agency or authority as security for a debt of the grantee or a transfer to a nonprofit industrial development agency or authority.

- O. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it but only if:
 - (1) The grantee shall directly use such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing or agriculture.
 - (2) The agency or authority has the full ownership interest in the real estate transferred.
 - P. A transfer by a mortgagor to the holder of a bona fide mortgage in default in lieu of a foreclosure or a transfer pursuant to a judicial sale in which the successful bidder is the bona fide holder of a mortgage unless the holder assigns the bid to another person.
 - Q. Any transfer between religious organizations or other bodies or persons holding title for a religious organization if such real estate is not being or has not been used by such transferor for commercial purposes.
 - R. A transfer to a conservancy which possesses a tax-exempt status pursuant to §501(c)(3) of the Internal Revenue Code of 1954 (68A Stat. 3, 26 U.S.C. §501(c)(3)) and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open-space opportunities.
 - S. A transfer of real estate devoted to the business of agriculture to a family farm corporation by a member of the same family which directly owns at least 75% of each class of stock thereof.
 - T. A transfer between members of the same family of an ownership interest in a real estate company or family farm corporation.
 - U. A transaction where the tax due is \$1 or less.
 - V. Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof.
2. In order to exercise any exclusion provided in this Part, the true, full and complete value of the transfer shall be shown on the statement of value. For leases of coal, oil, natural gas or minerals, the statement of value may be limited to an explanation of the reasons such document is not subject to tax under this Part.

(Ord. 1986-21, -/1987, §6)

§107. Documents Relating to Associations or Corporations and Members, Partners, Stockholders or Shareholders Thereof.

Except as otherwise provided in §106, documents which make, confirm or evidence any transfer or demise of title to real estate between associations or corporations and the members, partners, shareholders or stockholders thereof are fully taxable. For the purposes of this Part corporations and associations are entities separate from their members, partners, stockholders or shareholders.

(Ord. 1986-21, -/-/1987, §7)

§108. Acquired Company.

1. A real estate company is an acquired company upon a change in the ownership interest in the company, however effected, if the change:
 - A. Does not affect the continuity of the company.
 - B. Of itself or together with prior changes, has the effect of transferring, directly or indirectly, 90% or more of the total ownership interest in the company within a period of three years.
2. With respect to real estate acquired after February 16, 1986, a family farm corporation is an acquired company when, because of voluntary or involuntary dissolution, it ceases to be a family farm corporation or when, because of issuance or transfer of stock or because of acquisition or transfer of assets that are devoted to the business of agriculture, it fails to meet the minimum requirements of a family farm corporation under this Part.
3. Within 30 days after becoming an acquired company the company shall present a declaration of acquisition with the recorder of each county in which it holds real estate for the affixation of documentary stamps and recording. Such declaration shall set forth the value of real estate holdings of the acquired company in such county.

(Ord. 1986-21, -/-/1987, §8)

§109. Credits Against Tax.

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

2. Where there is a transfer by a builder of residential property which was transferred to the builder within the preceding year as consideration for the purchase of new, previously unoccupied residential property, a credit for the amount of the tax paid at the time of the transfer to the builder shall be given to the builder toward the amount of tax due upon the transfer.
3. Where there is a transfer of real estate which is demised by the grantor, a credit for the amount of tax paid at the time of the demise shall be given the grantor toward the tax due upon the transfer.
4. Where there is a conveyance by deed of real estate which was previously sold under a land contract by the grantor, a credit for the amount of tax paid at the time of the sale shall be given the grantor toward the tax due upon the deed.
5. If the tax due upon the transfer is greater than the credit given under this section, the difference shall be paid. If the credit allowed is greater than the amount of the tax due, no refund or carryover credit shall be allowed.

(Ord. 1986-21, -/1987, §9)

§110. Extension of Lease.

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

(Ord. 1986-21, -/1987, §10)

§111. Payment From Proceeds of Judicial Sale.

To the extent authorized and permitted by the laws of the Commonwealth of Pennsylvania, the tax herein imposed shall be fully paid and have priority out of the proceeds of any judicial sale of real estate. If the proceeds of the sale are insufficient to pay the entire tax herein imposed, the purchaser shall be liable for the remaining tax.

(Ord. 1986-21, -/1987, §11)

§112. Stamps.

The payment of the tax imposed by this Part shall be evidenced by the affixing of a stamp to every document by the Recorder of Deeds of Crawford County, Pennsylvania, or by the Township Secretary or by their duly authorized agent. Said stamp shall indicate the date of payment, the amount of tax paid and to whom the tax was paid. Said stamp shall be furnished by the Township and shall only be given to the Recorder of Deeds of Crawford County and to the Township Secretary and shall be kept in the sole

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possession, custody and control of said persons or their duly authorized agents and shall only be affixed to a document upon the payment of the tax imposed by this Part.

(Ord. 1986-21, -/1987, §12)

§113. Recorder of Deeds, Duties, Compensation and Bond.

1. The Reorder of Deeds of Crawford County, Pennsylvania, along with the Township Secretary, shall be the collection agents for the tax imposed by this Part. On or before the tenth of each month the Recorder or Deeds of Crawford County, Pennsylvania, shall pay over the Township Secretary all taxes collected pursuant to this Part, less the 2% for the use of Crawford County together with a report containing the information as is required by the Commonwealth of Pennsylvania realty transfer tax.
2. The Township may, from time to time, by separate ordinance or resolution, require any collection agent collecting the tax imposed by this Part to post a bond before entering upon his official duties conditioned upon the faithful discharge by such collection agent, including his appointees and agents, of all duties imposed upon such agent by this Part and the applicable provisions of the laws of the Commonwealth of Pennsylvania. The amount of such bond or bonds shall be determined by the Township, from time to time, by separate ordinance or resolution.

(Ord. 1986-21, -/1987, §13)

§114. Recorder of Deeds; Discretion.

The Recorder of Deeds of Crawford County, Pennsylvania, in his or her sole discretion and to the extent permitted by the applicable laws of the Commonwealth of Pennsylvania, shall have authority on behalf of the Township to refuse to record any document which in his or her opinion a tax hereby imposed applies and upon which document such tax has not been paid and/or upon which document the stamp provided for hereinabove has not been imprinted or stamped.

(Ord. 1986-21, -/1987, §14)

§115. Value to be Stated in Document or Affidavit.

Every document, lodged with or presented to the Recorder of Deeds of Crawford County, Pennsylvania, for recording and every document which is not presented for recording but which is presented to the Township Secretary for the payment of the tax herein imposed shall set forth therein and as a part of such document the true, full and complete value thereof or shall be accompanied by a statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the

true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this Part.

(Ord. 1986-21, -/1987, §15)

§116. Administration.

1. The tax imposed under §101 and all applicable interest and penalty shall be administered, collected and enforced under the Act of December 31, 1965, P.L. 1257, No. 511, as amended and supplemented from time to time, and known as the "Local Tax Enabling Act," provided that if the correct amount of the tax is not paid by the last date prescribed for timely payment, the Township of Vernon, Crawford County, Pennsylvania, pursuant to Section 1102-D of the Tax Reform Code of 1971 (72 P.S. §8102-D) authorizes and directs the Department of Revenue of the Commonwealth of Pennsylvania to determine, collect and enforce the tax, interest and penalties.
2. Any tax imposed under §101 that is not paid by the date the tax is due shall bear interest as prescribed for interest on delinquent municipal claims under the Act of May 16, 1923, P.L. 207, No. 153 (53 P.S. §3101 et seq.), as amended and supplemented from time to time, and known as the "Municipal Claims and Tax Liens Act." The interest rate shall be the lesser of the interest rate imposed upon delinquent Commonwealth taxes as provided in Section 806 of the Act of April 9, 1929, P.L. 343, No. 1761 (72 P.S. §806), as amended, and known as the "Fiscal Code" or the maximum interest rate permitted under the Municipal Claims and Tax Liens Act for tax claims.

(Ord. 1986-21, -/1987, §16; as amended by Ord. 2007-01, 3/1/2007)

§117. Enforcement and Remedies.

1. Enforcement and Remedies.
 - A. If it appears to the Township that a violation of this Part has occurred, the Township shall initiate enforcement proceedings by sending an enforcement notice as provided in this section.
 - B. The enforcement notice shall be sent to the violator and, if applicable, the owner of record of the parcel on which the violation has occurred, to any person who has filed a written request to receive enforcement notices regarding that parcel and to any other person requested in writing by the owner of record.
 - C. An enforcement notice shall state at least the following:

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- (1) The name of the violator and, if applicable, the owner of record and any other person against whom the Township intends to take action.
- (2) The location of the violation and, if applicable, the property in violation.
- (3) The specific violation with a description of the requirements which have not been met, citing in each instance the applicable provisions of this Part.
- (4) The date before which the steps for compliance must be commenced and the date before which the steps must be completed.
- (5) That the recipient of the notice has the right to appeal to the Board of Supervisors within a period of 10 days.
- (6) That failure to comply with the notice within the time specified, unless extended by appeal to the Board of Supervisors, constitutes a violation, with possible sanctions clearly described.

2. Enforcement Remedies.

- A. Any person, partnership or corporation who or which has violated or permitted the violation of the provisions of this Part shall, upon being found liable therefore in a civil enforcement proceeding commenced by the Township, pay a judgment of not more than \$600 plus all court costs, including reasonable attorneys' fees incurred by the Township as a result thereof. No judgment shall commence or be imposed, levied or payable until the date of the determination of a violation by the District Justice. If the defendant neither pays nor timely appeals the judgment, the Township may enforce the judgment pursuant to the applicable rules of civil procedure. Each day that a violation continues or each section of this Part which shall be found to have been violated shall constitute a separate violation.
- B. Nothing contained in this section shall be construed or interpreted to grant to any person or entity other than the Township the right to commence any action for enforcement pursuant to this section.
- C. District Justices shall have initial jurisdiction over proceedings brought under this section.

(Ord. 1986-21, -/-/1987, §17; as amended by Ord. 1997-2, 3/6/1997; and by Ord. 1998-2, 3/5/1998)

§118. Amendments.

Amendments to the Tax Reform Code, Act of July 2, 1986, Act 77, and to the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, Act 511, as may be passed by the Pennsylvania Legislature and which relate to and modify any provision of this Part

shall be deemed incorporated into this Part by reference as of the effective date of said legislative act without official action by the Board of Supervisors.

(Ord. 1986-21, -/1987, §18)

PART 2

LOCAL SERVICES TAX

§201. Authority for Tax.

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

(Ord. 2007-03, --/2007, §101)

§202. Definitions.

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

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.

HE, HIS or HIM — indicates the singular or plural number as well as male, female and neutered gender.

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 §13 of the Act of Assembly known as the Local Tax Enabling Act as amended and supplemented from time to time and as more specifically defined in Appendix “A”¹ attached to this Part and made a part hereof by reference thereto.

INDIVIDUAL — any natural person, male or female, engaged in an occupation, trade or profession within the corporate limits of the Township of Vernon, Crawford County, Pennsylvania.

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 Vernon, Crawford County,

¹Editor’s Note: Appendix “A” is on file in the Township office.

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Pennsylvania for which compensation is received whether by means of salary, wages, commission or fees for services rendered.

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.

TAX OFFICER — the Secretary/Treasurer of the Township of Vernon, Crawford County, Pennsylvania.

TAXES — local services tax in the amount of \$52 in 2008 and subsequent years thereafter paid pursuant to the terms and conditions of this Part.

TOWNSHIP — the area within the corporate limits of the Township of Vernon, Crawford County, Pennsylvania as now established or as may be enlarged in the future by operation of law.

(Ord. 2007-03, --/2007, §102)

§203. Levy of Tax.

For the purposes as set forth in §204 of this Part a local services tax is hereby levied upon the privilege of engaging in an occupation within the Township of Vernon, Crawford County, Pennsylvania, from January 1, 2008, or from the effective date of this Part whichever shall first occur. The tax established by this Part, i.e., the local services tax may be levied, assessed and collected by the Township of Vernon, Crawford County, Pennsylvania only if the taxpayer's place of employment is in the Township of Vernon, Crawford County, Pennsylvania. This tax is in addition to all other taxes of any kind or nature whatsoever levied by the Township of Vernon, 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 1, 2007, is not in excess of \$1,000. 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 during a calendar year may file with the tax officer of the Township of Vernon, 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 Part seek an exemption pursuant to the provisions and procedures set forth in §206 of this Part.

(Ord. 2007-03, --/2007, §103)

§204. Absolute Exemption.

The following natural persons shall not be subject to the tax imposed by this Part for any taxable year commencing July 1, 2006:

- A. Persons whose total earned income during the taxable year is not in excess of \$1,000.
- 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 100% permanent disability.

(Ord. 2007-03, --/2007, §103.1)

§205. Exemption for Other Persons.

Any person who does not have earned income in excess of \$12,000 for a calendar year in which the local services tax is levied may be exempt from the tax imposed by this Part and in connection with said exemption shall follow the procedures as set forth in §206 of this Part.

(Ord. 2007-03, --/2007, §103.2)

§206. Procedure, Claim and Exemption as Provided for in §205 of this Part.

- 1. A person seeking to claim an exemption from the tax imposed by this Part may annually file an exemption certificate with the Secretary/Treasurer of the Township of Vernon 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 in the calendar year for which the exemption certificate is filed. Upon receipt of the exemption certificate by the Township of Vernon, Crawford County, Pennsylvania, a copy of the aforesaid exemption certificate shall be delivered to the receiver of taxes. The exemption certificate shall have attached to it the following documents:
 - A. 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 Vernon, Crawford County, Pennsylvania or except as hereinafter required by subsection (2) of this Section, 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.

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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 Township of Vernon, 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 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 in that calendar year, an employer shall withhold the local services tax from the person pursuant to subsection (3) of this Section.
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 pursuant to subsection (2) of this Section, 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 (2) of this Section, 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 Part, 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 Vernon, Crawford County, Pennsylvania, may pursue collection prescribed by this Part.
4. Except as provided in subsection (2) of this Section, it is the intent of the Township of Vernon, 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 Part.

(Ord. 2007-03, --/2007, §103.3)

§207. 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 during the calendar year, that person may file with the receiver of taxes of the Township of Vernon, Crawford County, Pennsylvania on a form to be provided by the receiver of taxes, a request for refund of the amount so paid. This application shall be filed on or after April 15 of the succeeding year for which the exemption is claimed. Such natural person shall have from April 15 to July 15 of the succeeding year to file for a refund of the tax paid and if the refund request is not filed by July 15 of the succeeding year, then in that event the local services tax becomes the property of the Township of Vernon, Crawford County, Pennsylvania.

(Ord. 2007-03, --/2007, §103.4)

§208. Restricted Use.

Any funds derived from the local services tax for the Township of Vernon, Crawford County, Pennsylvania pursuant to this Part 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 Vernon, Crawford County, Pennsylvania, shall use no less than 25% of the funds derived from the tax imposed by this Part 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 Vernon, 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 §10 of Act 7, adopted June 21, 2007, shall be followed.

(Ord. 2007-03, --/2007, §104)

§209. Duty of Employers.

- 1. Each employer within the Township of Vernon, Crawford County, Pennsylvania as well as each employer located outside the Township of Vernon, Crawford County, Pennsylvania, but who engages in business within the Township of Vernon, 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 Vernon, Crawford County, Pennsylvania the tax of \$52, provided, however, that any person subject to the tax imposed by this Part 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 Vernon, 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 Part 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 Vernon, 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

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and the employee will notify other employer's of a change in principal place of employment within 2 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.

2. The local services tax imposed by this Part shall be no greater than \$52 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.
3. 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 Part and remits the amount so withheld in accordance with the provisions of §210 of this Part.

(Ord. 2007-03, --/2007, §105)

§210. 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 Vernon, Crawford County, Pennsylvania, and the employer shall be required to remit the local services tax within 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.

(Ord. 2007-03, --/2007, §106)

§211. Situs of Tax.

1. 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.
2. The place of employment shall be determined at the time the taxpayer first becomes subject to the tax during the calendar year.

(Ord. 2007-03, --/2007, §107)

§212. Concurrent Employment.

- 1. 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.
- 2. The local services tax imposed by this Part shall be no more than \$52 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. A political subdivision shall provide a taxpayer a receipt of payment upon request by the taxpayer.

(Ord. 2007-03, --/2007, §108)

§213. 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 Vernon, Crawford County, Pennsylvania, shall be required to comply with this Part and pay the tax in the amount of \$52 to the tax officer of the Township of Vernon, Crawford County, Pennsylvania, on or before May 31, 2008, and on each succeeding May 31 or as soon thereafter as he engages in an occupation.

(Ord. 2007-03, --/2007, §109)

§214. Nonresident Employers and Self-Employed Individuals.

All employers and self-employed individuals residing or having a place of business outside of the Township of Vernon, Crawford County, Pennsylvania, but who perform services of any type or kind or engage in any occupation or occupations within the Township of Vernon, Crawford County, Pennsylvania, do by virtue thereof agree to be bound by and

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subject themselves to the provisions and penalties promulgated by this Part with the same force and effect as though they are residents of the Township of Vernon, Crawford County, Pennsylvania. Further, any individual engaged in any occupation within the Township of Vernon, Crawford County, Pennsylvania, and an employee of a nonresident employer may for purposes of this Part, be considered a self-employed person and in the event the tax imposed by this Part is not remitted to the tax officer by May 31, 2008, and each succeeding year by May 31. The Township of Vernon, 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 Part.

(Ord. 2007-03, --/2007, §110)

§215. Administration of Tax.

1. It shall be the duty of the tax officer of the Township of Vernon, 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.
2. The tax officer of the Township of Vernon, Crawford County, Pennsylvania is hereby charged with the administration and enforcement of this Part as well as the regulations promulgated by the Board of Supervisors of Vernon Township including regulations for the examination of the payroll records of any employer subject to this Part; examination and correction of any return made in compliance with this Part; 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 Vernon, 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.
3. The tax officer of the Township of Vernon, 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 an 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 Vernon, Crawford County, Pennsylvania, the means, facilities and opportunity for such examination.
4. The Township of Vernon, 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 §9 of the Act of Assembly of May 5, 1998, P.L. 301, No. 50, 53 Pa.C.S.A. §8421, known as the "Local Taxpayers Bill of Rights Act." Refunds made within 75 days of a refund request or 75 days after the last day the employer is required to remit the local services tax for the last quarter of the calendar year under this Part, whichever is later, shall not be subject to interest imposed pursuant to §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 §23 of the Local Tax Enabling Act.

5. The Township of Vernon, Crawford County, Pennsylvania shall only provide refunds for amounts overpaid during the calendar year that exceed \$1.
6. To facilitate the administration of the tax imposed by this Part and the processing of refunds the Township of Vernon, Crawford County, Pennsylvania, may utilize forms and technical assistance provided by the Department of Community and Economic Development.

(Ord. 2007-03, --/2007, §111)

§216. Collection of Delinquent Tax.

The tax imposed by this Part shall be considered delinquent if not paid within 30 days after the due dates established by this Part. The tax officer of the Township of Vernon, 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 §§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 §§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 Part by an action in assumpsit as provided in §5 of the Act of Assembly approved the 21st day of June, 2007. In the event that collection procedures are instituted either pursuant to §§5 or 6 of the Act of Assembly approved the 21st day of June, 2007, or by an action in assumpsit the Township of Vernon, Crawford County, Pennsylvania, shall be entitled to claim, in addition to a 10% penalty, interest at the rate of 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.

(Ord. 2007-03, --/2007, §112)

§217. Fine and Penalty.

Whoever makes any false or untrue statement on any return required by this Part, or who refuses inspection of his books, records 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 Part, or who shall fail to pay the tax due, shall upon conviction before any district justice, be sentenced to pay a fine of not more than \$300 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 90 days for each offense. It is further provided that the action to enforce the fine and penalty herein provided may be

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instituted against any person in charge of the business of any employer who has failed or refuses to file a return by this Part.

(Ord. 2007-03, --/2007, §113)

§218. Savings Clause.

1. Nothing contained in this Part should be construed to empower the Township of Vernon, 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 Vernon, Crawford County, Pennsylvania, under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.
2. 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.

(Ord. 2007-03, --/2007, §115)

§219. Effective Date.

This Part shall be effective as of January 1, 2008.

(Ord. 2007-03, --/2007, §117)

PART 3
PER CAPITA TAX

§301. Levy and Assessment.

A per capita tax of \$5 for general Township purposes is hereby levied and assessed under the authority of the Act of December 31, 1965, P.L. 1257, known as the "Local Tax Enabling Act," and its amendments, upon each resident or inhabitant of the Township of Vernon, Crawford County, Pennsylvania, over the age of 18 years, which tax shall be in addition to all other taxes levied and assessed by the said Township pursuant to any other laws of the Commonwealth of Pennsylvania.

(Ord. 1973-41, 1/16/1973, §1; as amended by Ord. 1981-1, 1/15/1981, §1)

§302. Collection of Tax.

Such tax shall be collected by the duly elected or appointed Tax Collector of the Township of Vernon in the same manner and at the same time as other Township taxes are collected as provided by the Local Tax Collection Law of 1945, as amended and supplemented.

(Ord. 1973-41, 1/16/1973, §2)

§303. Bond.

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

(Ord. 1973-41, 1/16/1973, §3)

§304. Tax Duplicate.

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

(Ord. 1973-41, 1/16/1973, §4)

§305. Collection and Compensation.

The expense of collection and compensation of the Tax Collector shall be paid and allowed as provided in the Local Tax Collection Law of 1945, as amended and supple-

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mented, which compensation shall be the same as shall be fixed, from time to time, for the collection of other Township taxes.

(Ord. 1973-41, 1/16/1973, §5)

§306. Notice.

The Tax Collector shall give notice to the taxpayers of the amount of per capita tax due under this Part at the same time and in the same manner as provided by the Local Tax Collection Law of 1945, as amended and supplemented.

(Ord. 1973-41, 1/16/1973, §6)

§307. Names Not Appearing on Tax Duplicate.

In case the Tax Collector shall at any time find within the Township any resident or inhabitant above the age of 18 years whose name does not appear upon the tax duplicate, he shall report the name to the Assessor, who shall thereupon certify the same unto the Township Supervisors, which shall promptly certify the same to the Tax Collector reporting such name, whereupon the Tax Collector shall add such name and the assessment of this per capita tax against such person to the duplicate of the Township of Vernon and shall proceed to collect the same.

(Ord. 1973-41, 1/16/1973, §7)

§308. Powers of Tax Collector.

The Tax Collector shall give notice to the taxpayers, shall have the power to collect said taxes by distress, shall have the power and authority to demand and receive said tax from the employer of any person owning any per capita tax or whose spouse owes any per capita tax, shall remit such taxes to the Township Treasurer by separate statement at the same time as other taxes are remitted to the Township, shall allow discounts and add penalties, shall generally be subject to all the duties and shall have all the rights and authority conferred upon him by the Local Tax Collection Law of 1945, as amended and supplemented. It is hereby declared to be the intent of the Township Supervisors in enacting this Part to confer upon the Tax Collector, in the collection of this per capita tax, all the powers, together with all the duties and obligations to the same extent and as fully provided for in the Local Tax Collection Law of 1945, as amended and supplemented.

(Ord. 1973-41, 1/16/1973, §8; as amended by Ord. 1997-2, 3/6/1997)

§309. Effective Date.

This Part shall go into effect 30 days after its final enactment and shall be effective for the fiscal year 1973 and thereafter from year to year on a calendar year basis until repealed or amended.

(Ord. 1973-41, 1/16/1973, §9)

PART 4

EARNED INCOME AND NET PROFITS TAX

§401. Title.

The title of this Part is the “Vernon Township Earned Income and Net Profits Tax Ordinance.”

(Ord. 2011-02, 11/3/2011, §1)

§402. Purpose.

The purpose of this Part is to continue, reaffirm and update the ordinance for the levy of the earned income and net profits tax to meet the existing requirements of the Local Tax Enabling Act as same has been and may be further amended.

(Ord. 2011-02, 11/3/2011, §2)

§403. Authority.

This Part is adopted pursuant to the authority of the Local Tax Enabling Act, Act 511 of 1965, as amended by Act 32 of 2008 and as otherwise amended, found at 53 P.S. §6924.101 *et seq.*

(Ord. 2011-02, 11/3/2011, §3)

§404. Definitions.

EARNED INCOME — the compensation as required to be reported to or as determined by the Department of Revenue under §303 of the act known as the Tax Reform Code of 1971, and rules and regulations promulgated under that section. Employee business expenses as reported to or determined by the Department of Revenue under Article III of the Tax Reform Code of 1971 shall constitute allowable deductions in determining earned income. The term does not include offsets for business losses. The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income.

EARNED INCOME AND NET PROFITS TAX or TAX — the tax levied on earned income and net profits under authority of the Local Tax Enabling Act.

EMPLOYER — a person, business entity or other entity, employing one or more persons for a salary, wage, commission or other compensation. The term includes the Commonwealth, a political subdivision and an instrumentality or public authority of either. For purposes of penalties, the term includes a corporate officer.

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LOCAL TAX ENABLING ACT (or “LTEA”) — Act 511 of 1965, enacted December 31, 1965, P.L. 1257, as thereafter amended, and including Act 32 adopted July 2, 2008, as thereafter amended, which Act is found at 53 P.S. §6913 (until repealed effective June 30, 2012) and 53 P.S. §6924.101 *et seq.*, as same may be hereafter amended.

NET PROFITS — the net income from the operation of a business, other than a corporation, as required to be reported to or as determined by the Department of Revenue under §303 of the act known as the Tax Reform Code of 1971, and rules and regulations promulgated under that section. The term does not include any:

- A. Income which:
 - (1) Is not paid for services provided.
 - (2) Is in the nature of earnings from an investment.
- B. Income which represents:
 - (1) Any gain in the sale of farm machinery.
 - (2) Any gain on the sale of livestock held 12 months or more for draft, breeding or dairy purposes.
 - (3) Any gain on the sale of other capital assets of a farm.

NONRESIDENT — a person or business domiciled outside the political subdivision levying the tax.

PERSON — a natural person.

RESIDENT — a person or business domiciled in the political subdivision levying the tax.

SUCCEEDING YEAR — the calendar year following the tax year.

TAX COLLECTION COMMITTEE or TCC — the committee established to govern the Crawford County Tax District for purpose of collection of the earned income and net profits tax.

TAX COLLECTION DISTRICT — the tax collection district established under §504 of the LTEA, encompassing political subdivisions in Crawford County and surrounding counties.

TAX OFFICER — the person(s) or entity(s) appointed by the tax collection committee to collect the earned income and net profits tax for political subdivisions within the Crawford County Tax Collection District.

TAX YEAR or “CURRENT YEAR” — the calendar year for which the tax is levied.

TAXPAYER — a person or business required under this Part to file a return or to pay a tax.

TOWNSHIP — Vernon Township, its governing body and duly appointed representatives. It shall also mean political subdivision or municipality as those terms are used in this Part.

The definitions as found in the Local Tax Enabling Act, as amended from time to time are hereby incorporated herein by reference and shall be applied in the administration and enforcement of this Part.

(Ord. 2011-02, 11/3/2011, §4)

§405. Levy of Earned Income and Net Profits Tax.

In accordance with the provisions of the Local Tax Enabling Act, Vernon Township hereby levies and assesses a tax for general revenue purposes at the rate of 1% on the earned income and net profits of residents of Vernon Township and on the earned income and net profits of nonresidents who receive earned income and net profits from any work, business, profession or activity performed or rendered in Vernon Township.

(Ord. 2011-02, 11/3/2011, §5)

§406. Local Tax Enabling Act Applicable.

This Tax is imposed under authority of the Local Tax Enabling Act. All provisions of the Local Tax Enabling Act that govern the levy, administration and collection of the tax on earned income and net profits are incorporated into this Part by reference as though set forth herein. Any future amendments to the Local Tax Enabling Act that are required to be applied to the levy and collection of a tax on earned income or net profits shall automatically become part of this Part upon the effective date of such amendment, without the need for formal amendment of this Part, to the maximum extent allow by law.

(Ord. 2011-02, 11/3/2011, §6)

§407. Tax Levied for 2012 and Each Year Thereafter.

The tax hereby levied and assessed shall be levied and assessed for the calendar year 2012 and each year thereafter, without annual reenactment or levy.

(Ord. 2011-02, 11/3/2011, §7)

§408. Applicable Laws, Regulations, Policies and Procedures.

This tax shall be collected and administered in accordance with the applicable provisions of the Local Tax Enabling Act, other applicable laws and regulations; and regulations, policies and procedures adopted by this political subdivision, the tax collection committee, or by the tax officer. This includes any regulations, policies, and procedures adopted in the future to the maximum extent allowed by law.

(Ord. 2011-02, 11/3/2011, §8)

§409. Employers Obligations.

Employers shall withhold, remit and report taxes imposed by this Part as follows:

- A. Every employer having an office, factory, workshop, branch, warehouse or other place of business within a tax collection district who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered, shall, within 15 days after becoming an employer, register with the tax officer the name and address of the employer and such other information as the Department of Community and Economic Development (DCED) may require.
- B. An employer shall require each new employee to complete a certificate of residency form, which shall be an addendum to the Federal Employee's Withholding Allowance Certificate (Form W-4). An employer shall also require any employee who changes their address or domicile to complete a certificate of residency form. The certificate of residency form shall provide information to help identify the political subdivisions where an employee lives and works.
- C. Every employer having an office, factory, workshop, branch, warehouse or other place of business within a tax collection district that employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, shall, at the time of payment, deduct from the compensation due each employee employed at such place of business the greater of the employee's resident tax or the employee's nonresident tax as released in the official register maintained by the DCED.
- D. Except as set forth in subsection (E) below, within 30 days following the end of each calendar quarter, every employer shall file a quarterly return and pay the amount of taxes deducted during the preceding calendar quarter to the tax officer for the place of employment of each employee. The form shall show the name, address and Social Security number of each employee, the compensation of the employee during the preceding 3-month period, the tax deducted from the employee, the political subdivisions imposing the tax upon the employee, the total compensation of all employees during the preceding calendar quarter, the total tax deducted from the employees and paid with the return and any other information prescribed by the DCED.
- E. Notwithstanding subsection (D) above, the provisions of this subsection shall apply if an employer has more than one place of employment in more than one tax collection district. Within 30 days following the last day of each month, the employer may file the return required by subsection (D) and pay the total amount of taxes deducted from employees in all work locations during the preceding month to the tax officer for either the tax collection district in which the employer's payroll operations are located or as determined by the DCED. The return and taxes deducted shall be filed and paid electronically. The

employer must file a notice of intention to file combined returns and make combined payments with the tax officer for each place of employment at least one month before filing its first combined return or making its first combined payment. This subsection shall not be construed to change the location of an employee's place of employment for purposes of nonresident tax liability.

- F. Any employer who, for two of the preceding four quarterly periods, has failed to deduct the proper tax, or any part of the tax, or has failed to pay over the proper amount of tax as required by subsection (C) above to the tax collection district, may be required by the tax officer to file returns and pay the tax monthly. In such cases, payments of tax shall be made to the tax officer on or before the last day of the month succeeding the month for which the tax was withheld.
- G. On or before February 28 of the succeeding year, every employer shall file with the tax officer where taxes have been deducted and remitted pursuant to subsection (C) above:
 - (1) An annual return showing, for the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of compensation paid, the total amount of tax deducted, the total amount of tax paid to the tax officer and any other information prescribed by the DCED.
 - (2) An individual withholding statement, which may be integrated with the Federal Wage and Tax Statement (Form W-2), for each employee employed during all or any part of the period beginning January 1 of the current year and ending December 31 of the current year, setting forth the address and Social Security number, the amount of compensation paid to the employee during the period, the amount of tax deducted, the amount of tax paid to the tax officer, the numerical code prescribed by the DCED representing the tax collection district where the payments required by subsections (D) and (E) above were remitted and any other information required by the DCED. Every employer shall furnish one copy of the individual withholding statement to the employee for whom it is filed.
- H. Any employer who discontinues business prior to December 31 of the current year shall, within 30 days after the discontinuance of business, file returns and withholding statements required under this Section and pay the tax due.
- I. Except as otherwise provided in §511 of the Local Tax Enabling Act, 53 P.S. §6924.511, an employer who willfully or negligently fails or omits to make the deductions required by this Section shall be liable for payment of taxes which the employer was required to withhold to the extent that the taxes have not been recovered from the employee. The failure or omission of any employer to make the deductions required by this Section shall not relieve any employee from the payment of the tax or from complying with the requirements for filing of declarations and returns.

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(Ord. 2011-02, 11/3/2011, §9)

§410. Taxpayers Obligations.

Taxpayers shall declare and pay taxes as follows:

- A. Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the tax officer for the place of taxpayers' residence, a final return showing the amount of taxable income received during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due on the taxable income, the amount of tax paid, the amount of tax that has been withheld and the balance of tax due. All amounts reported shall be rounded to the nearest whole dollar. At the time of filing the final return, the taxpayer shall pay to the tax officer the balance of the tax due or shall make demand for refund or credit in the case of overpayment.
- B. Every taxpayer making net profits shall, by April 15 of the current year, make and file with the tax officer for the place of taxpayer's residence a declaration of the taxpayer's estimated net profits during the period beginning January 1 and ending December 31 of the current year, and shall pay to the tax officer in four equal quarterly installments the tax due on the estimated net profits. The first installment shall be paid at the time of filing the declaration, and the other installments shall be paid on or before June 15 of the current year, September 15 of the current year and January 15 of the succeeding year, respectively.
- C. Any taxpayer who first anticipates any net profit after April 15 of the current year shall make and file the declaration required on or before June 15 of the current year, September 15 of the current year or December 31 of the current year, whichever date next follows the date on which the taxpayer first anticipates such net profit, and shall pay to the tax officer in equal installments the tax due on or before the quarterly payment dates that remain after the filing of the declaration.
- D. Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the tax officer for the place of taxpayer's residence a final return showing the amount of net profits earned or received based on the method of accounting used by the taxpayer during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due on the net profits and the total amount of tax paid. At the time of filing the final return, the taxpayer shall pay to the tax officer the balance of tax due or shall make demand for refund or credit in the case of overpayment. Any taxpayer may, in lieu of paying the fourth quarterly installment of the estimated tax, elect to make and file with the resident tax officer on or before January 31 of the succeeding year, the final return.
- E. The DCED, in consultation with the Department of Revenue, shall provide by regulation for the filing of adjusted declarations of estimated net profits and

for the payments of the estimated tax in cases where a taxpayer who has filed the declaration required under this subsection anticipates additional net profits not previously declared or has overestimated anticipated net profits.

- F. Every taxpayer who discontinues business prior to December 31 of the current year, shall, within 30 days after the discontinuance of business, file a final return as required under this subsection and pay the tax due.
- G. Every taxpayer who receives any other taxable income not subject to withholding under the Local Tax Enabling Act shall make and file with the tax officer for the place of taxpayer's residence a quarterly return on or before April 15 of the current year, June 15 of the current year, September 15 of the current year, and January 15 of the succeeding year, setting forth the aggregate amount of taxable income not subject to withholding by the taxpayer 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 tax, together with such other information as the department may require. Every taxpayer filing a return shall, at the time of filing the return, pay to the tax officer the amount of tax due. The department shall establish criteria under which the tax officer may waive the quarterly return and payment of the tax and permit a taxpayer to file the receipt of taxable income on the taxpayer's annual return and pay the income tax due on or before April 15 of the succeeding year.
- H. For a taxpayer whose fiscal year is not a calendar year, the tax officer shall establish deadlines for filing, reporting and payment of taxes which provide time periods equivalent to those provided for a calendar year taxpayer.

(Ord. 2011-02, 11/3/2011, §10)

§411. Tax Officer Responsibilities.

The tax officer appointed by the tax collection committee is hereby authorized and directed to take such actions to collect and remit the earned income and net profits tax hereby levied as are authorized by the Local Tax Enabling Act, as amended from time to time, and shall carry out those responsibilities in accordance with the requirements of the Local Tax Enabling Act.

(Ord. 2011-02, 11/3/2011, §11)

§412. Actions of Tax Officer to Collect Unpaid Tax.

The tax officer is hereby authorized to take any and all actions authorized by the Local Tax Enabling Act as amended from time to time, and as otherwise permitted by law to determine and to collect taxes owed.

(Ord. 2011-02, 11/3/2011, §12)

§413. Interest and Penalties Against the Taxpayer.

1. Except as provided in subsection (2) below, if the tax is not paid when due, interest at the rate the taxpayer is required to pay to the Commonwealth under §806 of the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code, on the amount of the tax, and an additional penalty of 1% of the amount of the unpaid tax for each month or fraction of a month during which the tax remains unpaid shall be added and collected but the amount shall not exceed 15% in the aggregate. Where an action is brought for the recovery of the tax, the taxpayer liable for the tax shall, in addition, be liable for the costs of collection, interest and penalties.
2. The tax officer, with the concurrence of the tax collection committee, may abate interest or penalties that would otherwise be imposed for the nonreporting and underreporting of income tax liabilities or for the nonpayment of taxes previously imposed and due if the taxpayer voluntarily files delinquent returns and pays the taxes in full. The provisions of this subsection shall not affect or terminate any petitions, investigations, prosecutions or other proceedings pending under this Part, or prevent the commencement or further prosecution of any proceedings by the proper authorities for violations of this Part.

(Ord. 2011-02, 11/3/2011, §13)

§414. Fines and Penalties for Taxpayer Violations.

1. Any taxpayer who fails, neglects or refuses to make any declaration or return required by this Part, any employer who fails, neglects or refuses to register, keep or supply records or returns required by the LTEA or to pay the tax deducted from employees, or fails, neglects or refuses to deduct or withhold the tax from employees, any taxpayer or employer who refuses to permit the tax officer appointed by a tax collection committee or an employee or agent of the tax officer to examine books, records and papers, and any taxpayer or employer who knowingly makes any incomplete, false or fraudulent return, or attempts to do anything whatsoever to avoid the full disclosure of the amount of income in order to avoid the payment of income taxes shall, upon conviction thereof, be sentenced to pay a fine of not more than \$2,500 for each offense and reasonable costs, and in default of the payment of said fine and costs, to imprisonment for not more than 6 months.
2. Any employer required under this Part to collect, account for and distribute taxes who willfully fails to collect or truthfully account for and distribute taxes, commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine not exceeding \$25,000 or to imprisonment not exceeding 2 years, or both.
3. The penalties imposed under this subsection shall be in addition to any other costs and penalties imposed by this Part.

4. The failure of any person to obtain forms required for making the declaration or returns require by this Part shall not excuse the person from making the declaration or return.

(Ord. 2011-02, 11/3/2011, §14)

§415. Effective Date.

This Part shall be effective at the earliest possible time permitted in accordance with the applicable provisions of the laws governing this political subdivision and the tax hereby levied shall be effective for calendar year 2012 and each year thereafter.

(Ord. 2011-02, 11/3/2011, §17)

PART 5

TAX EXEMPTIONS FROM REAL PROPERTY TAX

§501. Definitions.

As used in this Part, the following words and phrases shall have the meanings set forth below:

DETERIORATED PROPERTY — any industrial, commercial or other business property owned by an individual partnership, association or corporation and located in an investment opportunity area, as hereinafter provided, or any such property which has been the subject of an order by a governmental agency requiring the property to be vacated, condemned or demolished.

IMPROVEMENT — repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement. No residential homes, apartments or other living establishments will be included.

INVESTMENT OPPORTUNITY AREA — all property within the commercial and industrial zones of the Township of Vernon.

LOCAL TAXING AUTHORITY — the Township of Vernon and Crawford Central School District and the County of Crawford or any other governmental entity having the authority to levy real property taxes within the Township of Vernon.

MUNICIPAL GOVERNMENT BODY — the Township of Vernon.

(Ord. 1995-6, 12/28/1995, §1)

§502. Grant of Exemption.

From and after the effective date of this Part and subject to the limitations hereinafter stated or provided for by law, there is hereby exempted from real estate taxation levied, assessed or imposed by the Township of Vernon the assessed valuation of industrial, commercial or other business property located in an investment opportunity area of the Township of Vernon or such other property which has been the subject of an order by a governmental agency requiring the property to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations.

(Ord. 1995-6, 12/28/1995, §2)

TAXATION, SPECIAL

§503. Limitations.

The exemption granted herein shall be subject to the following limitations:

- A. Exemption from real property taxes shall be limited to:
 - (1) The exemption schedule established in this Part.
 - (2) That portion of the additional assessment attributable to the actual cost of improvements to the deteriorated property.
 - (3) The assessment valuation attributable to the cost of construction of a new industrial, commercial or other business unit.
- B. In all cases the exemption from taxes shall be limited to that portion of the additional assessment attributable to the improvements or new construction, as the case may be, and for which a separate assessment has been made by the Crawford County Board of Assessment Appeals and for which an exemption has been separately requested.
- C. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property.
- D. In any case, after the effective date of this Part, when deteriorated property is damaged, destroyed or demolished by any cause or for any reason and the assessed valuation of the property affected has been reduced as a result of the said damage, destruction or demolition, an exemption from real property taxation authorized by this Part shall be limited to that portion of the new assessment attributable to the actual cost of improvements or construction that is in excess of the original assessments that existed prior to the damage, destruction or demolition of the property.

(Ord. 1995-6, 12/28/1995, §3)

§504. Exemption Schedule.

1. The following real estate tax exemption schedule shall be in effect when the owner or lessor shall commence use of said property for five years immediately following completion of new construction or completion of an improvement to an existing structure the following real estate tax exemption shall be in effect:

Length	Portion Exempt
1st year	50% of the eligible assessment
2nd year	40% of the eligible assessment

Length	Portion Exempt
3rd year	30% of the eligible assessment
4th year	20% of the eligible assessment
5th year	10% of the eligible assessment

After the fifth year, the exemption shall terminate absolutely, and the entire assessed value of the property, including all improvements previously subject to exemption pursuant to the terms of this Part, shall be fully taxable.

2. The exemption from taxes granted under this Part shall be on the property excepted and shall not terminate upon the sale or exchange of the property but shall continue for the full time originally granted.
3. If an eligible property is granted tax exemption pursuant to this Part the improvement shall not, during the exemption period, be considered as a factor in assessing other properties.
4. If the use of the property at the time the exemption is granted is modified, terminated or changed during the five year period and in any way which would have affected the exemption if the property had been so used when the exemption was granted, then, at the option of the Board of Supervisors of Vernon Township, the exemption shall terminate as of the date the use was modified or terminated if the Board of Supervisors of Vernon Township determines that continuation of the exemption would be inconsistent with the purposes of this Part and the enabling Act of Assembly.

(Ord. 1995-6, 12/28/1995, §4)

§505. Notice.

All building permit applications within the Township of Vernon shall, from and after the effective date hereof, be accompanied by a written notice to the applicant of the existence of this Part, the exemption granted hereby and of the procedures necessary to obtain exemption in accordance with the terms of this Part.

(Ord. 1995-6, 12/28/1995, §5)

§506. Procedure for Obtaining Exemption.

1. Any person desiring tax exemption pursuant to this Part shall apply to the Township of Vernon at the time the building permit is secured for construction of the improvement. The application shall be in writing upon forms specified by the Township of Vernon setting forth the following information:

TAXATION, SPECIAL

- A. The date the building permit was issued for said improvements.
 - B. Location of the property to be improved.
 - C. The nature of the property to be improved (i.e., industrial, commercial, etc.).
 - D. The type of improvement.
 - E. The cost of the improvement.
 - F. If the property has been inspected and verified by the Township Manager or his agent.
 - G. Such additional information as the Township of Vernon may require.
2. A copy of the exemption request shall be forwarded to the County Board of Assessment by the Township Manager. The Board shall determine and it shall assess separately the improvements and calculate the amounts of the assessment eligible for the tax exemption in accordance with the limit established by this Part and notify the taxpayer and local taxing authorities of the reassessment and amount of the assessment eligible for tax exemption. In the case of new construction, the Board shall assess separately the unit and land upon which the new construction stands and shall otherwise perform its duties as above provided for construction of improvements to properties.
 3. The cost of improvements to be exempted and the schedule of tax exemption existing at the time of the initial request for tax exemption shall be applicable to that exemption request and subsequent amendments to this Part shall not apply to requests initiated prior to their adoption.
 4. Appeals from reassessment on the amount eligible for the exemption may be taken by the Township of Vernon or by the taxpayer as provided by law.

(Ord. 1995-6, 12/28/1995, §6)

§507. Amendments.

No amendments to this Part shall be effective unless consented to by resolution or ordinance of each local taxing authority which has consented to be bound by the terms of this Part.

(Ord. 1995-6, 12/28/1995, §7)

§508. Termination Date.

This Part shall automatically terminate five years following the effective date hereof; provided, however, that any taxpayer who has received or applied for the exemption granted by this Part prior to the expiration date herein provided shall, if said exemption is granted, be entitled to the full exemption authorized herein. This section shall not prevent the Township of Vernon, however, from repealing this Part or any section thereof before the five years upon proper action of the Vernon Township Board of Directors.

(Ord. 1995-6, 12/28/1995, §8)

§509. Nonpermissible Exemptions.

Any exemption made permissible under this Part shall not be applied to any residential homes, apartment buildings or other living establishments except hotels and motels which rent rooms to travelers on a short-term basis.

(Ord. 1995-6, 12/28/1995, §9)

