
CHAPTER 18

TAXATION

ARTICLE I

REALTY TRANSFER TAX

*History: Adopted by the Board of Supervisors of Center Township as Ordinance No. 58, July 8, 1987.
Ordinance No. 13, adopted December 1966 was repealed upon enactment of this Codification.*

§18-101. Short Title

This Article shall be known as the “Realty Transfer Tax Ordinance of the Township of Center.”

§18-102. Authority

A realty transfer tax for general revenue purposes is hereby imposed upon the transfer of real estate or interest in real estate situated within the Township of Center, regardless of where the documents making the transfer are made, executed or delivered or where the actual settlements on such transfer took place as authorized by Article XI-D, “Local Real Estate Transfer Tax,” 72 P.S. § 8101-D, et seq.

§18-103. Definitions

- A. **Association:** A partnership, limited partnership or any other form of unincorporated enterprise owned or conducted by two (2) or more persons other than a private trust or decedent’s estate.
- B. **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, foreign country or dependency.
- C. **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 thirty (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 Section 18-108 of this Article.
- D. **Family Farm Corporation:** A corporation of which at least seventy-five percent (75%) of its assets are devoted to the business of agriculture and at least seventy-five percent (75%) of each class of stock of the corporation is continuously owned by members of the same family. The business or agriculture shall not be deemed to include:

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; or
 5. Manufacturing or processing operations of any kind.
- E. **Members of the Same Family:** Any individual, such individual's brothers and sisters, the brothers and sisters of such individual's parents and grandparents, 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 half-blood or legal adoption shall be treated as if they were related by the whole-blood.
- F. **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 partnership thereof, and as applied to corporations, the officers thereof.
- G. **Real Estate:**
1. All lands, tenements or hereditaments within the Township of Center, including, without limitation, buildings, structures, fixtures, mines, minerals, oil, gas, quarries, spaces with or without upper or lower boundaries, trees and other improvements, immovable or interest 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.
- H. **Real Estate Company:** A corporation or association which is primarily engaged in the business of holding, selling or leasing real estate, ninety percent (90%) or more of the ownership interest in which is held by thirty-five (35) persons and which:
1. Derives sixty percent (60%) or more of its annual gross receipts from the ownership or disposition of real estate; or
 2. Holds real estate, the value of which comprises ninety percent (90%) or more of the value of its entire tangible asset holdings exclusive of tangible assets which are freely transferable and actively traded on an established market.

I. 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; or
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 approximately those of an estate in fee simple, life estate or perpetual leasehold including without limitation of leasehold interest or possessory interest under a lease or occupancy agreement for a term of thirty (30) years or a leasehold interest or possessory interest in real estate in which the lessee has equity.

J. **Transaction:** The making, executing, delivering, accepting or presenting for recording of a document.

K. Value:

1. In the case of any bona fide sale of real estate at arm's length for actual monetary worth, the amount of 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 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 of 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 factor developed by the Pennsylvania Department of Revenue realty transfer tax base calculations;
3. In the case of an easement or other interest in real estate, the value of which is not determinable under Clause (1) or (2), the actual monetary worth of such interest; or
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 of a related corporation, association or partnership and the grantee existing before or effective with the transfer.

§18-104. Imposition of Tax; Interest

- A. 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 of any part thereof, a tax at the rate of one percent (1%) of the value of the real estate represented by such document, which tax shall be payable at the earlier of the time the document is presented for recording or within thirty (30) days of acceptance of such document or within thirty (30) days of becoming an acquired company.

- B. The payment of the tax imposed herein shall be evidenced by the affixing of an official stamp or writing by the recorder whereon the date of the payment of the tax, amount of the tax and the signature of the collecting agent shall be set forth.
- C. It is the intent of this Article that the entire burden of the tax imposed herein on a person or transfer shall not exceed the limitations prescribed in the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, 53 P.S. §6901, et seq., so that if any other political subdivision shall impose or hereafter shall impose such tax on the same person or transfer then the tax levied by the Township of Center under the authority of that Act shall during the time such duplication of the tax exists, except as hereinafter otherwise provided, be one-half of the rate, and such one-half rate shall become effective without any action on the part of the Township of Center, provided, however, that the Township of Center and any other political subdivision which imposes such tax on the same person or transfer may agree that, instead of limiting their respective rates to one-half of the rate herein provided, they will impose respectively different rates, the total of which shall not exceed the maximum rate permitted under "The Local Tax Enabling Act."
- D. If for any reason the tax is not paid when due, interest, at the rate in effect at the time the tax is due, shall be added and collected.

§18-105. 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 Article. The exemption of such governmental bodies shall not, however, relieve any other party to a transaction from liability for the tax.

§18-106. Excluded Transactions

The tax imposed by Section 18-104 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 (1) year from the date of condemnation.
- B. A document which the Township of Center is prohibited from taxing under the Constitution or statutes of the United States.

- C. A conveyance to the 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 of division in kind for no or nominal actual consideration of property passed by testate or intestate succession and held by co-tenants; 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 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 between a grandparent and grandchild or the spouse of such grandchild, except that a subsequent transfer by the grantee within one (1) 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 ordinance trust.
- J. A transfer for no or nominal actual consideration from trustee to successor trustee.
- K. A transfer:
 - 1. for no or nominal actual consideration between principal and agent or straw party; or
 - 2. 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 Article.

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 clause.

- L. A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation, except where the department reasonably determines that the primary intent for such merger, consolidation or division is avoidance of the tax imposed by this Article.
- 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 (2) 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; and
 - 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 a 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 person 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 Section 501(c)(3) of the Internal Revenue Code, o 1954, (68A Stat. 3, 26 U.S.C., §501(c)(3) and which has as its primary purposes of 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 seventy-five percent (75%) of each class of the stock thereof.
- T. A transfer between members of the same family or an ownership interest in a real estate company or family farm corporation.
- U. A transaction wherein the tax due is one dollar (\$1.00) or less.
- V. Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof.

In order to exercise any exclusion provided in this Section, the true full and complete value of the transfer shall be shown on the statement of value. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. For leases of coal, oil, natural gas or minerals, the statement of value may be limited to an explanation of the reason such document is not subject to tax under this Article.

§18-107. Documents Relating to Associations or Corporations and Members, Partnership, Stockholders or Shareholders Thereof.

Except as otherwise provided in Section 18-106, 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 Article, corporations and associations are entities separate from their members, partnership, stockholders or shareholders.

§18-108. Acquired Company

- A. A real estate company is an acquired company upon a change in the ownership interest in the company, however effected, if the change does not affect the continuity of the company; and of itself or together with prior changes has the effect of transferring, directly or indirectly, ninety percent (90%) or more of the total ownership interest in the company within a period of three (3) years.
- B. 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 Article.
- C. Within thirty (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. A copy of the Pennsylvania Realty Transfer Tax Declaration of Acquisition may be submitted for this purpose.

§18-109. Credits Against Tax

- A. 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.
- B. 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 the tax due upon the transfer.

- C. Where there is a transfer of real estate which is leased by the grantor, a credit for the amount of tax paid at the time of the lease shall be given the grantor toward the tax due upon the transfer.
- D. 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.
- E. 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 tax due, no refund or carryover credit shall be allowed.

§18-110. 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.

§18-111. Proceeds of Judicial Sale

The tax herein imposed shall be fully paid and have priority out of the proceeds of any judicial sale of real estate before any other obligation, claim, lien, judgment, estate or costs of the sale and of the writ upon which the sale is made, except the state realty transfer tax, and the Sheriff or other officer conducting said sale shall pay the tax herein imposed out of the first moneys paid to him in connection therewith. If the proceeds of the sale are insufficient to pay the entire tax herein imposed, the purchaser shall be liable for the remaining tax.

§18-112. Duties of Recorder of Deeds

- A. As provided in 16 P.S. §11011-6, as amended by Act of July 7, 1983, (P.L. 40, No. 21), the Recorder of Deeds shall be the collection agent for the local realty transfer tax, including any amount payable to the Township based on a redetermination of the amount of tax due by the Commonwealth of Pennsylvania of the Pennsylvania Realty Transfer Tax, without compensation from the Township.
- B. In order to ascertain the amount of taxes due when the property is located in more than one (1) political subdivision, the Recorder shall not accept for recording such a deed unless it is accompanied by a statement of value showing what taxes are due each municipality.
- C. On or before the tenth (10th) of each month, the Recorder shall pay over to the Township all local realty transfer taxes collected less two percent (2%) for use of the County, together with a report containing the information as is required by the Commonwealth of Pennsylvania in reporting collections of the Pennsylvania Realty Transfer Tax. The two percent (2%) commission shall be paid to the County.
- D. Upon a redetermination of the amount of realty transfer tax due by the Commonwealth of Pennsylvania, the Recorder shall rerecord the deed or record the additional realty

transfer tax form only when both the state and local amounts and rerecording or recording fee have been tendered.

§18-113. Statement of Value

Every document lodged with or presented to the Recorder of Deeds for recording shall set forth therein and as a part of such document the true, full and complete value thereof, or shall be accompanied by a statement of 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 Article. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. The provisions of this subsection shall not apply to any excludable real estate transfers which are exempt from taxation based on family relationship. Other documents presented for the affixation of stamps shall be accompanied by a certified copy of the document and 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 Article.

§18-114. Civil Penalties

- A. If any part of any underpayment of tax imposed by this Article is due to fraud, there shall be added to the tax an amount equal to fifty percent (50%) of the underpayment.
- B. In the case of failure to record a declaration required under this Article on the date prescribed therefore, unless it is shown that such failure is due to reasonable cause, there shall be added to the tax five percent (5%) of the amount of such tax if the failure is for not more than one (1) month with an additional five percent (5%) for each additional month or fraction thereof during which such failure continues, not exceeding fifty percent (50%) in the aggregate.

§18-115. Lien

The tax imposed by this Article shall become a lien upon the lands, tenements or hereditaments, or any interest therein lying, being situated, wholly or in part, within the boundaries of the Township, which lands, tenements, hereditaments or interest therein are described in, or conveyed by, or transferred by the deed which is the subject of the tax imposed, assessed and levied by this Article, said lien to begin at the time when the tax under this Article is due and payable and continue until discharged by payment or in accordance with the law, and the solicitor is authorized to file a municipal or tax claim in the Court of Common Pleas of Butler County in accordance with the provisions of the Municipal Claims and Liens Act of 1923, 53 P.S. §7101, et seq., its supplements and amendments.

§18-116. Enforcement

All taxes imposed by this Article, together with interest and penalties prescribed herein, shall be recoverable as other debts of like character are recovered.

§18-117. Regulations

The Board of Supervisors of the Township of Center is charged with enforcement and collection of tax and is empowered to promulgate and enforce reasonable regulations for enforcement and collection of the tax. The regulations which have been promulgated by the Pennsylvania Department of Revenue under 72 P.S. §8101-C, et seq., are incorporated into and made a part of this Article.

ARTICLE II

BUSINESS PRIVILEGE AND MERCANTILE TAX

History: Adopted by the Board of Supervisors of Center Township as Ordinance No. 62, November 30, 1988, as amended by Ordinance No. 97-12-12, December 10, 1997.

§18-201. General Definitions

The following words and phrases when used in this Article shall have the meanings ascribed to them in this Section, except where the context clearly indicates or requires a different meaning.

A. Business:

1. Carrying on or exercising, whether for gain, or profit or otherwise within the Township of Center, any trade, business, including but not limited to, financial business as hereinafter defined, professions, vocation, service, construction, communication or commercial activity or making sales to persons or rendering services from or attributable to an office or place of business in the Township of Center, the receipt of any money or fee in the Township of Center.
2. Shall not include the following: The business of any political subdivision; any employment for a wage or salary; any business which is subject to the mercantile tax; any organization, foundation, corporation or unincorporated association operating under a non-profit charter or recognized as a non-profit entity by the Commonwealth of Pennsylvania.

B. Broker: Merchandise broker, factor or commission merchant.

C. Contractors or Subcontractors: Any contractor or subcontractor who has or maintains an office or place of business or storage facility within Center Township.

D. Financial Business: The services and transactions of banks and bankers, savings and loan associations, trusts, credit and investment and brokers in money, credits, commercial paper, bonds, notes, security and stocks, monetary metals, factors and commission merchants.

E. Gross Receipts: Cash, credits, property of any kind or nature in or allocable or attributable to the Township of Center from any business or by reason of any sales made, including resales of goods, wares or merchandise taken or services rendered or commercial or business transactions had within the Township of Center without deduction therefrom on account of the cost of the property sold, materials used, labor, service or other costs, interest or discount paid, or any other expense or the receipt of any money or fee in the Township of Center. Gross Receipts shall include:

1. The dollar volume of business transacted by wholesale and retail dealers derived from the resale of goods, wares and merchandise, taken by any dealer as a

- trade-in or as part payment for other goods, wares and merchandise, except to the extent that the resale price exceeds the trade-in allowance.
2. In the case of a financial business, the cost of securities and other property sold, exchanged, paid at maturity or redeemed and moneys or credits received in repayment of advances, credits and loans, but not to exceed the principal amount of such advances, credits and loans and shall also exclude deposits.
 3. In the case of a Broker, commissions paid by him to another Broker or salesperson on account of a purchase or sales contract initiated, executed or cleared in conjunction with such other Broker.
 4. Receipts by dealers from sales to other dealers in the same line where the dealer transfers title or possession at the same price for which he acquires the goods, wares or merchandise.
- F. **Gross Volume of Business:** The actual total amount of business transacted, including both cash and credit transactions and shall be calculated on the basis of gross receipts of the business.
- G. **License Year:** Each calendar year, beginning at 12:01 a.m., January 1, and ending at 12:00 o'clock midnight December 31.
- H. **Person:** Any natural person, partnership, unincorporated association or corporation. Whenever used in any provision prescribing a fine or penalty, the word "person" as applied to partnership shall mean the partners thereof, and as applied to corporation or unincorporated associations, shall mean the officers thereof.
- I. **Retail Dealer or Retail Vendor:** Any person who is a dealer in or vendor of goods, wares or merchandise other than a wholesale dealer, wholesale vendor or broker, but shall not include a person engaged in temporary, seasonable or itinerant business.
- J. **Tax Administrator:** That person duly appointed by the Board of Supervisors of the Township of Center to administer this Article and collect taxes hereunder.
- K. **Tax Limitations:** All statutory limitations upon the assessment of taxes imposed by this Article. All limitations imposed by the provisions of the "Local Tax Enabling Act," are by law a part of this Article among which is the limitation that the Township shall not have authority by virtue of the "Local Tax Enabling Act" to levy, assess and collect a tax on goods and articles manufactured in the Township or on the by-products of manufacture or on minerals, timbers, natural resources and farm products produced in such political subdivision, or on the preparation or processing thereof for use or market, or on any privilege, act or transaction related to the business of manufacturing, the production, preparation or processing of minerals, timber and natural resources, or farm products, by manufacturing, by-producers and by farmers with respect to the goods, articles and products of their own manufacture, production or growth, or on any privilege, act or transaction relating

to the business of processing by-products, of manufacture or on the transportation, loading, unloading, or dumping or storage of such goods, articles, products or by-products.

- L. **Tax Year:** Each twelve (12) month period beginning January 1, and ending on December 31.
- M. **Temporary, Seasonal or Itinerant Business:** Any business that is intended to be conducted, and is actually conducted at one location for less than sixty (60) consecutive calendar days.
- N. **Wholesale Dealer or Wholesale Vendor:** A person who sells goods, wares or merchandise for resale to dealers in or vendors of goods, wares or merchandise, whether or not the goods, wares or merchandise are resold in the same form or in an altered or changed form or are consumed directly in the manufacturing, processing or fabricating of tangible personal property which is then sold.

§18-202. Business Privilege Tax

Every person engaging in any business in the Township of Center subject to the Business Privilege Tax, shall pay an annual tax at the rate of one half (1/2) mil on each dollar of volume of the gross annual receipts.

§18-203. Mercantile Tax

- A. **License:** Every person desiring to continue to engage in or hereafter to begin to engage in the business of wholesale or retail dealer in or wholesale or retail vendor of goods, wares and merchandise and any person conducting a restaurant or other place where food, drink or refreshments are sold shall, on or before the first Monday of January of the License Year or prior to commencing business in the License Year, procure a Mercantile License for the Township of Center from the Tax Administrator who shall issue the same upon the payment of five dollars (\$5.00) for a wholesale or retail license and five dollars (\$5.00) for each of his places of business for the License Year. Such license shall be conspicuously posted at the place of business or at each of the places of business for every person at all times.
- B. **Imposition and Rate of Tax:** For each calendar year, the Township of Center does hereby impose a Mercantile Tax in the manner and at the rates hereinafter set forth; provided, nevertheless, that the said gross annual of business or receipts is greater than two thousand five hundred dollars (\$2,500.00) per annum.
 - 1. Wholesale dealers in, or wholesale vendors of, goods, wares or merchandise at the rate of one-half (1/2) mil on each dollar of the volume of the annual gross business transacted by him. In the case of Brokers, the term "Gross Business" shall mean "Gross Commission Earned."
 - 2. Retail Dealers in, or retail vendors of, goods, wares or merchandise and all persons engaged in conducting restaurants or other places where food, drink or

refreshments are sold at the rate of one-half (1/2) mil on each dollar of the volume of the annual gross business transacted by him.

3. The tax imposed herein shall apply whether or not the tax activity is conducted together with some other business or occupation.

§18-204. Administration

A. Computation of Gross Annual Receipts and Volume of Business: Every person subject to the payment of the tax hereby imposed, who has commenced his business at least one (1) full year prior to the beginning of the tax or license year, shall compute his annual gross volume of business or receipts upon the annual gross amount of business transacted or actual receipts received by him during the preceding calendar year.

1. Every person subject to the payment of the tax hereby imposed who has commenced his business subsequent to the beginning of any tax or license year, shall compute his annual volume of business or gross receipts upon the actual volume of business or gross receipts received by him during the part of such tax or license year remaining and on the actual gross receipts of volume of business of his first full year for the second full year he engages in business, as the case may be. In the case of business commencing less than one (1) full year prior to any tax or license year, the average monthly volume of business or gross receipts multiplied by twelve (12) shall be the basis for computing the gross volume of business or receipts for the first full tax or license year.
2. Where a receipt in its entirety cannot be subjected to the tax imposed by this Article by reason of the provisions of the Constitution of the United States or of Pennsylvania, or any other provisions of law, including the exemptions within this Article, the Tax Administrator shall establish rules and regulations and methods of allocation and evaluation so that only that part of receipt which is properly attributable and allocable to the doing of business in the Township of Center shall be taxed hereunder. Every person who ceases to carry on a business during any tax or license year shall be permitted to apportion his tax for each tax or license year and shall pay for such tax or license year an amount to be computed by multiplying his gross receipts or volume of business for the preceding full calendar year by a fraction whose numerator shall be the number of months such person was in business during the tax year and whose denominator shall be twelve.
3. Every person subject to the payment of the tax hereby imposed who engages in a business, temporary, seasonal or itinerant by its nature shall compute his annual volume of business or gross receipt on the actual business transacted or gross receipts received by him during such tax or license year.
4. Every person who shall discontinue business during the tax or license year after having paid taxes for the entire year, upon making proper application to the Tax Administrator, shall be entitled to receive a refund of a pro rata amount of the

tax paid, based upon the period of time he was not in business during the tax or license year.

B. Returns and Registration:

1. Every person subject to the tax imposed by this Article shall forthwith register with the Tax Administrator setting forth his name, address, business address and the nature of the business activity in which he is engaged.
2. Every return shall be made upon a form furnished by the Tax Administrator. Every person making a return shall certify the correctness thereof.
3. Every person subject to the tax imposed by this Article who has commenced his business at least one (1) full year prior to the beginning of the license year shall on or before the fifteenth (15th) day of May, during each license year, and annually thereafter, file with the Tax Administrator a return setting forth his name, his business address and business and such other information as may be necessary in arriving at the annual gross volume of business transacted or receipt received by him during the preceding year and the amount of tax due.
4. Every person subject to the tax imposed by this Article who commences business subsequent to the beginning of any tax or license year shall, for such tax or license year, file on or before January 31 of the succeeding tax or license year a return with the Tax Administrator setting forth his name, his business, his business address and such other information as may be necessary in arriving at the actual gross volume of business transacted or receipts received by him during such tax period and the amount of the tax due.
5. Every person subject to the tax imposed by this Article who commences business subsequent to the beginning of any tax or license year shall, on or before May 15 of the succeeding tax or license year, file a return with the Tax Administrator setting forth his name, his business, his business address and such other information as may be necessary in arriving at the gross volume of business or receipt for the first full tax or license year and the amount of tax due. The average monthly volume of business transacted or receipts received in the preceding year multiplied by twelve (12) shall be the basis for computing the gross volume of business or receipts for the first full tax or license year.

C. Payment: At the time of the filing of his return, the taxpayer shall pay the amount of tax shown as due to the Tax Administrator. All taxes shall be paid and a return filed on or before May 15 of each year thereafter.

D. Tax Administrator - Powers and Duties:

1. It shall be the duty of the Tax Administrator to collect and receive the taxes, fines and penalties imposed by this Article. It shall also be his duty to keep a record showing the amount received by him from each person paying the tax and the date of the receipt.

2. The Tax Administrator is hereby charged with the administration and enforcement of the provisions of this Article and is hereby empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter pertaining to its administration and enforcement, including provisions for the reexamination and correction of returns and payments alleged or found to be incorrect or to which an overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the Tax Administrator shall have the right to appeal to the Court of Common Pleas as provided for in other cases.

E. Suit on Collection; Interest on Unpaid Tax:

1. The Tax Administrator may sue for the recovery of taxes due and unpaid under this Article in the name of the Township. If for any reason the tax is not paid when due each year, interest at the rate of six percent (6%) on the amount of such tax and an additional penalty of one percent (1%) of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected.
2. Where suit is brought for the recovery of any such tax, the person liable therefore shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

F. Penalty:

1. Any person who makes any false or untrue statement on his return and any person who fails or refuses to file a return or procure a mercantile license as required or who fails to keep his license conspicuously posted at his place of business as required herein or who fails to pay the proper and full amount of tax due, whether business privilege or mercantile, shall, upon conviction by a District Magistrate in a summary proceeding, pay a fine of two thousand dollars (\$2,000.00), plus costs.
2. The failure of any person required to file a return to receive or procure the form on which the same is required to be filed shall not exclude him from making a return or from paying the tax.
3. In addition thereto, the Township may proceed with a civil action to collect the tax.

ARTICLE III

DELINQUENT TAX COLLECTOR

History: Adopted by the Board of Supervisors as Ordinance No. 2002-01-01, amended by Ordinance No. 2004-12-11, December 8, 2004 and Ordinance No. 2007-06-08, June 13, 2007.

§18-301. General

The Center Township Board of Supervisors appoint Butler County Tax Claim Bureau, as the delinquent tax collector, pursuant to the directive of Act 104 of 2000.

§18-302. Administration

- A. Effective January 1, 2001, the Center Township Tax Collector is required to submit delinquent taxes from the previous tax year to the Butler County Tax Claim Bureau.
- B. Nothing herein shall preclude Berkheimer and Associates from collecting delinquent Business Privilege and Mercantile Taxes pursuant to Center Township Resolution No. 1999-12-19.

ARTICLE IV ELECTED TAX COLLECTOR

History: Adopted by the Board of Supervisors as Ordinance No. 02-04-03, April 10, 2002, amended by Ordinance No. 2007-06-08, June 13, 2007.

§18-401. General

The Center Township Board of Supervisors authorize the elected tax collector to charge and collect fees for other tax collector services as set forth herein below.

§18-402. Fee Schedule

- A. The Township authorizes the elected tax collector to charge and collect the following fees:
 - 1. Issuance of tax certification letters.
 - 2. Duplicate tax cards, when the original tax card is not returned with the payment of taxes.
 - 3. Issuance of paid receipts.
 - 4. Checks returned for nonsufficient funds.
- B. Fees will be established from time to time by Resolution of the Township Board of Supervisors.

ARTICLE V

LOCAL SERVICES TAX

History: Adopted by the Board of Supervisors as Ordinance No. 2009-11-04.

§18-501. Purpose

- A. This Article shall be known and may be cited as “Center Township Local Services Tax Ordinance”.
- B. The Center Township Board of Supervisors desires to enact the Local Services Tax for the privilege of engaging in an occupation with a primary place of employment within Center Township.

§18-502. Definitions

For the purpose of this Article, certain terms and words used herein are defined as follows:

- A. **Collector:** The person, public employee, or private agency designated by Center Township to collect and administer the tax herein imposed.
- B. **DCED:** The Department of Community and Economic Development of the Commonwealth of Pennsylvania.
- C. **Earned Income:** Compensation as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of December 31, 1965, P.L. 1257 §13, as amended, 53 P.S. §6913, as amended.
- D. **Employer:** An individual, partnership, association, limited liability corporation, limited liability partnership, corporation, governmental body, agency, or other entity employing one or more persons on a salary, wage, commission, or other compensation basis, including a self-employed person.
- E. **He, His, or Him:** Indicates the singular and plural number, as well as male, female and neuter genders.
- F. **Individual:** Any person, male or female, engaged in any occupation, trade, or profession within the boundaries of Center Township.
- G. **Net Profits:** The net income from the operation of a business, profession; or other activity, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of December 31, 1965, P.L. 1257 §13, as amended, 53 P.S. §6913, as amended.
- H. **Occupation:** Any trade, profession, business, or undertaking of any type, kind, or character, including services, domestic, or other, earned on or performed within Center Township for which compensation is charged or received; whether by means of salary, commission, or fees for services rendered.

- I. **Political Subdivision:** The area within the corporate limits of the Township of Center, Butler County, Pennsylvania.
- J. **Tax:** The local services tax at the rate fixed in Section 18-503 of this Article.
- K. **Tax Year:** The period from January 1 until December 31 in any year; a calendar year.

§18-503. Levy of Tax

- A. For the specific revenue purposes, an annual tax is hereby levied and assessed, commencing January 1, 2010: upon the privilege of engaging in an occupation with a primary place of employment within Center Township during the tax year.
- B. Each natural person who exercises such privilege for any length of time during any tax year in the amount of \$52.00, assessed on a pro rata basis, in accordance with the provisions of this Article.
- C. This tax may be used solely for the following purposes as the same may be allocated by the Board of Supervisors from time to time;
 - 1. emergency services, which shall include emergency medical services, police services and/or fire services.
 - 2. road construction and/or maintenance;
 - 3. reduction of property taxes; or
 - 4. property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S. Ch. 85, Subch. F (relating to homestead property exclusion).
- D. Center Township shall use no less than twenty-five percent (25%) of the funds derived from the tax for emergency services.
- E. This tax is in addition to all other taxes of any kind or nature heretofore levied by Center Township.
- F. The tax shall be no more than \$52.00 on each person for each calendar year, irrespective of the number of employers within Center Township which a person maybe employed.

§18-504. Exemption and Refunds

- A. **Exemption:** Any person whose total earned income and net profits from all sources within Center Township is less than twelve thousand dollars (\$12,000) for any calendar year in which the tax is levied is exempt from the payment of the tax for that calendar year. In addition the following persons are exempt from payment of the tax:
 - 1. Any person who has served in any war or armed conflict in which the united States was engaged and is honorably discharged or released under honorable circumstances from active service if, as a result of military service, the person is blind, paraplegic, or a double or quadruple amputee or has a service connected

disability declared by the United States Veterans' Administration or its successor to be a total one hundred percent (100%) disability.

2. Any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year. For the purpose of this subparagraph, "reserve component of the armed forces shall mean;
 - a. the United Army Reserve,
 - b. the United States Navy Reserve,
 - c. the United States Marine Reserve,
 - d. the United States Coast Guard Reserve,
 - e. the United States Air Force Reserve,
 - f. the Pennsylvania Army National Guard, or
 - g. the Pennsylvania Air National Guard

B. Procedure to Claim Exemption

1. A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with Center Township and with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within Center Township of less than twelve thousand dollars (\$12,000) in the calendar year for which the exemption certificate is filed. In the event Center Township utilizes a tax collection officer, the exemption certificate shall have attached to it a copy of all the employee's last pay stubs or W-2 forms from employment within Center Township for the year prior to the fiscal year for which the employee is requesting to be exempt from the tax. Upon receipt of the exemption certificate and until otherwise instructed by Center Township as by Section 18-504.B.2, the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish each new employee with a form at the time of hiring. The exemption certificate form shall be the uniform form provided by Center Township.
2. With respect to a person who claimed an exemption for a given calendar year from the tax, upon notification to an employer by the person or by Center Township that the person has received earned income and net profits from all sources within Center Township equal to or in excess of twelve thousand dollars (\$12,000) in that calendar year or that the person is otherwise ineligible for the tax exemption for that calendar year or upon employer's payment to the person of earned income within Center Township in an amount equal to or in excess of twelve thousand dollars (\$12,000) in that calendar year, an employer shall withhold the local services tax from the person under Section 18-504.B.3.

3. If a person who claimed an exemption for a given calendar year from the tax becomes subject to the tax for the calendar year under clause 2, the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person for the first payroll period after receipt of notification under Section 18-504.B.2, a lump sum equal to the amount of tax that was not withheld per payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. In the event the employment of a person subject to withholding of the tax under this clause is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of tax due, and Center Township may pursue collection under this Article.
 4. Except as provided in Section 18-504.B.2, it is the intent of this subsection that employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility, or exempting any employee from the local services tax.
- C. Refunds: The Board of Supervisors, in consultation with the Collector and DCED, shall establish procedures for the processing of refund claims for any tax paid by any person who is eligible for exemption, which procedures shall be in accord with provisions of the general municipal law relating to refunds of overpayments and interest on overpayments. Refunds may be made within seventy-five (75) days after the last day the employer is required to remit the tax for the last quarter of the calendar year, whichever is later, shall not subject to interest. No refunds shall be made for amounts overpaid in a calendar year that do not exceed one dollar (\$1.00): The Board of Supervisors or the Collector shall determine eligibility for exemption and provide refunds to exempt persons.

§18-505. Duty of Employers to Collect

- A. each employer within Center Township, as well as those employers situated outside Center Township but who engage in business within Center Township, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within Center Township and making a return and payment thereof to the Collector. Further, each employer is hereby authorized to deduct this tax for each employee in his or her employ, whether said employee is paid by salary, wage, or commission and whether or not all such services are performed in Center Township.
- B. A person subject to the tax shall be assessed by the employer a pro rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro rata share of the tax assessed on the person for a payroll period shall be determined by dividing the rate of tax 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 (1/100) of a dollar. Collection of the tax shall be made on a payroll period basis for each payroll period in which the person is engaging in an occupation, except as provided in Section 18-505.D of this Article. For purposes of

this paragraph, combined rate shall mean the aggregate annual rate of the tax levied by the school district and the municipality.

- C. No person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll.
- D. In the case of concurrent employment, an employer shall refrain from withholding the tax if the employee provides a recent pay statement from a principal employer that includes:
 - 1. name of employer
 - 2. the length of payroll period
 - 3. the amount of tax withheld, and
 - 4. a statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in principal place of employment within two (2) weeks of occurrence. The employee's statement shall be provided on the form approved by DCED.
- E. The tax shall be no more than fifty-two dollars (\$52.00) on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. The political subdivision shall provide a taxpayer a receipt of payment upon request by a taxpayer.
- F. No employer shall be held liable for failure to withhold the tax or for the payment of the withheld tax money to Center Township 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. Further, an employer shall not be liable for payment of the local services tax in an amount exceeding the amount withheld by the employer if the employer complies with the provisions of Section 18-504 of this Article and this section and remits the amount so withheld in accordance with this Article.
- G. Employers shall be required to remit the local services tax thirty (30) days after the end of each quarter of a calendar year.

§18-506. Returns

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

§18-507. Dates for Determining Tax Liability and Payment

In each tax year, each employer shall use his or her employment records to determine the number of employees from whom such tax shall be deducted and paid over to the Collector on

or before the thirtieth (30th) day following the end of each calendar quarter of each such tax year.

§18-508. Self-Employed Individuals

Each self-employed individual who performs services of any type or kind or engages in any occupation or profession within a primarily place of employment within Center Township shall be required to comply with this Article and pay the pro rata portion of the tax due to the Collector on or before the thirtieth (30th) day following the end of each quarter.

§18-509. Individuals Engaged in More Than One Occupation or Employed in More Than One Political Subdivision

- A. The situs of the tax shall be the place of employment on the first day the person becomes subject to the tax during each payroll period. In the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires the person working in more than one political subdivision during a payroll period, the priority of claim to collect the local services tax shall be in the following order:
1. First, the political subdivision in which a person maintains his or her principal office or is principally employed;
 2. Second, the political subdivision in which the person resides and works if the tax is levied by that political subdivision;
 3. Third, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home.
- B. In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment constitutes prima facie certification of payment to all other political subdivisions.

§18-510. Nonresidents Subject to Tax

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

§18-511. Liability for Payment

The failure or omission of any employer to deduct the tax or remit the same to the Township shall not relieve any individual from the payment of the tax.

§18-512. Administration of Tax

- A. The Collector shall be appointed by resolution of the Center Township Board of Supervisors. It shall be the duty of the Collector to accept and receive payments of this tax and to keep a record thereof showing the amount received by him from each employer or self-employed person, together with the date the tax was received.
- B. The Collector is hereby charged with the administration and enforcement of this Article and hereby is charged and empowered, subject to municipal approval, to proscribe, adopt, and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this Article, including provisions for the examination of payroll records of any employer subject to this Article, the examination and correction of any return made in compliance with this Article and any payment alleged or found to be incorrect or as to which overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the Collector shall have the right to appeal consistent with the Local Taxpayers Bill of Rights under Act 50 of 1998.
- C. The Collector is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer or, if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the Collector the means, facilities, and opportunity for such examination.

§18-513. Suits for Collection

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

§18-514. Violations and Penalties

Whoever makes any false or untrue statement on any return required by this Article, or whoever refuses inspections of the books, records, or accounts in his or her custody and control setting forth the number of employees subject to this tax who are in his or her employment, or whoever fails or refuses to file any return required by this Article shall be guilty of a violation and, upon conviction thereof, shall be sentenced to pay a fine of not more than six hundred dollars (\$600.00) and costs of prosecution, and, in default of payment of such fine and costs, to imprisonment for not more than thirty (30) days. The action to enforce the penalty herein prescribed may be instituted against any person in charge of the business of any employer who shall have failed or who refuses to file a return required by this Article.

§18-515. Interpretation

- A. Nothing contained in this Article shall be construed to empower Center Township to levy and collect the tax hereby imposed on any occupation not within the taxing power of Center Township under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.
- B. If the tax hereby imposed under the provisions of this Article shall be held by any court of competent jurisdiction to be in violation of the Constitution of the United States or of the laws of the Commonwealth of Pennsylvania as to any individual, the decision of the court shall not affect or impair the right to impose or collect the said tax or the validity of the tax so imposed on other persons or individual as herein provided.

ARTICLE VI EARNED INCOME TAX

History: Adopted by the Board of Supervisors of Center Township as Resolution, March 5, 1965, as amended by Ordinance No. 2016-11-03, November 9, 2016.

§18-601. Authorization

This Ordinance is enacted pursuant to the authority granted by the Local Tax Enabling Act, P.L. 1257, known as Act No. 511 of 1965, effective January 11 1966, as thereafter amended through in Act 166 of 2002 and Act No. 32 of 2008, 53 P.S. Sec. 6924.101 *et seq.* (known as the Local Tax Enabling Act and herein referred to as the "Act"). The provisions contained herein are made for the purpose of amending and supplementing the Local Tax Enabling Act as adopted by the Township by Resolution of March 5, 1966.

§18-602. Incorporation by Reference

The Center Township Board of Supervisors hereby adopts by reference, Act 32, as from time to time amended (53 P.S. §6924.101 through 53 P.S. §6924.901) and its definitions, duties, directives, rules, regulations, powers and penalties as if same had been set forth fully herein.

§18-603. Definitions

As used in this article, the following terms shall have the meanings indicated:

ASSOCIATION - A partnership, limited partnership, or any other unincorporated group of two or more persons.

BUSINESS - An enterprise, activity, profession or any other undertaking of an unincorporated nature conducted for profit, or ordinarily conducted for profit, whether by persons, partnership, association or any other entity.

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

CURRENT YEAR - The calendar year for which the tax is levied.

DOMICILE - The place where one lives and has his permanent home, and to which he has the intention of returning whenever he is absent. Actual residence is not necessarily domicile, for domicile is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntary fixed place of habitation of a person, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce him to adopt some other permanent home. In the case of businesses, or association, the domicile is that place considered as the center of business affairs and the place where its functions are discharged.

EARNED INCOME - Salaries, wages, commissions, bonuses, incentive payments, fees, tips and other compensation received by a person or his personal representative for services rendered, whether directly or through an agent, and whether in cash or property; not including , however, wages or compensation paid to persons on active military service,

periodic payments for sickness, disability other than regular wages received during a period of sickness, disability or retirement or payments arising under Workmen's Compensation Acts, Occupational Disease Acts and similar legislation, or payments commonly recognized as old age benefits, retirement pay or pensions paid to persons retired from service after reaching a specific age or after a stated period of employment, or payments commonly known as public assistance, or unemployment compensation payments made by any governmental agency or payments to reimburse expenses or payments made by employers or labor unions for wage and salary supplemental programs, including, but not limited to, programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, strike benefits, social security and retirement. Compensation as determined under Section 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the "Tax Reform Code of 1971," and regulations in 61 Pa. Code Pt. I Subpt. B Art. V (relating to personal income tax). Employee business expenses are allowable deductions as determined under Article III of the "Tax Reform Code of 1971." The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income.

EMPLOYER - A person, partnership, association, corporation, institution, governmental body or unit or agency, or any other entity employing one or more persons for a salary, or any other entity employing one or more persons for a salary, wage, commission or other compensation.

INCOME TAX OFFICER OR OFFICERS - A person, public employee or private agency designated by the governing body to collect and administer the tax on earned income and net profits.

NET PROFITS - The net income from the operation of a business, profession, or other activity, except corporations, after provision for all costs and expenses incurred in the conduct thereof, determined either on a cash or accrual basis in accordance with the accounting system used in such business, profession, or other activity, but without deduction of taxes based on income determined under Section 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the "Tax Reform Code of 1971," and regulations in 61 Pa. Code Pt. I Subpt. B Art. V (relating to personal income tax). The term does not include income which is not paid for services provided and which is in the nature of earnings from an investment. For taxpayers engaged in the business, profession or activity of farming, the term shall not include:

- (1) any interest earnings generated from any monetary accounts or investment instruments of the farming business;
- (2) any gain on the sale of farm machinery;
- (3) any gain on the sale of livestock held twelve months or more for draft, breeding or dairy purposes; and
- (4) any gain on the sale of other capital assets of the farm.

NONRESIDENT - A person, partnership, association or other entity domiciled outside the taxing district.

PERSONS or INDIVIDUALS - A natural person.

PRECEDING YEAR - The calendar year before the current year.

RESIDENT - A person, partnership, association or other entity domiciled in the taxing district.

SUCCEEDING YEAR - The calendar year following the current year.

TAXPAYER - A person, partnership, association, or any other entity required hereunder to file a return of earned income or net profits, or to pay a tax thereon.

§18-604. Imposition of Tax

A tax at the rate of one percent (1%) on each dollar is hereby imposed on all earned income and net profits, as defined by Act 32, earned by residents of Center Township and on all earned income and net profits earned by nonresidents of Pennsylvania employed in or receiving work assignments within Center Township. All changes shall remain in effect on a calendar year basis without annual reenactment unless the rate of tax is subsequently charged.

§18-605. Declaration and Payment of Tax

A. Net profits.

1. Every taxpayer making net profits shall on or before April 15 of each year make and file with the officer, on a form prescribed by the officer, a declaration of his estimated net profits during the period beginning January 1 and ending December 31 of the current year and pay to the officer in four equal quarterly installments the tax due thereon as follows: the first installment on or before April 15 of the current year, July 15 of the current year, and January 15 of the succeeding year.
2. On or before April 15 of the succeeding year, every taxpayer shall make and file a return on a form prescribed by the officer showing the amount of net profits earned, the total amount of tax due and the total amount of tax paid thereon. At the time of filing the return, the taxpayer shall pay to the officer the balance of the tax due, or shall make demand for refund or credit in the case of overpayment. An incomplete or improperly completed tax return shall be considered as not having been filed. Each final return shall be substantiated and supported by such United States Federal Income Tax Return forms as required by the officer, which shall at least include a copy of the federal W-2 form in the case of an earned income taxable, and Schedule C of the federal return as to a net profits taxable.

B. Earned Income.

Every taxpayer shall, on or before April 15, of the succeeding year, make and file with the officer a final return showing the amount of earned 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 thereon, the amount of tax paid thereon, the amount of tax paid thereon, the amount of tax thereon that has been withheld pursuant to the provisions relating to the collection at source and the balance of tax due. At the time of filing the final return, the taxpayer shall pay the balance of the tax due or shall make demand for refund or credit in the case of overpayment. An incomplete or improperly completed tax return shall be considered as not having been filed. Each final return shall be submitted and

supported by such United States Federal Income Tax Return forms as required by the officer, which shall include a copy of the federal W-2 form in the case of an earned income taxable, and Schedule C of the federal return as to a net profit taxable.

C. 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 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, and January 31 of the succeeding year, setting forth the aggregate amount of earned income not subject to withholding by him during the three-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.

§18-606. Collection at Source

- A. Every employer having an office, factory, workshop, branch, warehouse, or other place of business within Center Township who employs one or more persons, other than domestic servants, for a salary, wage, commission, or other compensation, shall deduct at the time of payment thereof the tax imposed by Center Township on the earned income due to his employee or employees and shall, on or before April 30 of the current year, July 31 of the current year, October 1 of the current year, and January 31 of the succeeding year, file a return and pay to the officer the amount of taxes deducted during the preceding three-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. Such return, unless otherwise agreed upon between the officer and employers, shall show the name and Social Security Number of each such employee, the earned income of such employee during such preceding three-month period, the tax deducted therefrom, the political subdivision imposing the tax upon such employee and the political subdivision in which the employee resides, the total earned income of all such employees during such preceding three-month period, and the total tax deducted therefrom and paid with the return.
- B. An employer who, for two of the preceding four quarterly returns, has failed to deduct the proper tax, or any part thereof, or has failed to pay over the proper amount of tax to the taxing authority, may be required by the officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the officer on or before the last day of the month succeeding the month for which the tax was withheld.
- C. On or before February 28 of the succeeding year, 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 of the current year and ending December 31 of the current year.

2. A return showing withholding statement for each employee employed during all or part of the period beginning January 1 of the current year and ending December 31 of the current 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, and 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.
- D. Every employer who discontinues business prior to December 31 of the current year shall, within 30 days after the discontinuance of business, file the returns and withholding statements hereinabove required and pay the tax due.
- E. Except as otherwise provided, every employer who willfully or negligently fails or omits to make the deductions required by this section shall be liable for payment of the taxes which he was required to withhold to the extent that such taxes have not been recovered from the employee.
- F. 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 requirement of the sections relating to the filing of declarations and returns.

§18-607. Administration - Powers and Duties of Officer

The collection and administration of the tax provided for in this Ordinance shall be performed by the Tax Officer appointed by the Butler County Tax Collection Committee. Said Tax Officer shall receive such compensation for his services and expenses as determined from time to time by the TCC. Such Tax Officer shall administer and have the powers and duties as provided for by Act 32 and the Local Tax Enabling Act.

§18-608. Suit for Collection of Tax

- A. The officer may sue in the name of the Township of Center for recovery of taxes due and unpaid under this article.
- B. Any suit brought to recover the tax imposed by this article shall begin within three years after such tax is due, or within three years after the declaration or return has been filed, whichever date is later; provided, however, that this limitation shall not prevent the institution of a suit for the collection of any tax due or determined to be due in the following cases:
 1. Where no declaration or return was filed by any person, although a declaration or return was required to be filed by him under provisions of this article, there shall be no limitation.
 2. Where an examination of the declaration or return filed by any person, or of other evidence relating to such declaration or return in the possession of the officer, reveals a fraudulent evasion of taxes, there shall be no limitation.

3. In the case of substantial understatement of tax liability of 25% or more and no fraud, suit shall begin within six years.
 4. Where any person has deducted taxes under the provisions of this article, and has failed to pay the amounts so deducted to the officer, or where any person has willfully failed or omitted to make the deductions required by this section, there shall be no limitation.
 5. This section shall not be construed to limit the Township of Center from recovering delinquent taxes by any other means provided by law.
- C. The officer may sue for recovery of an erroneous refund provided such suit is begun two years after making after making such refund, except that the suit may be brought within five years if it appears that any part of the refund was induced by fraud or misrepresentation of material fact.
- D. Compliance with the requirements of this section shall not relieve any individual or entity of the necessity of compliance with the requirements of any other Ordinance.

§18-609. Interest and Penalties

If for any reason the tax is not paid when due, interest at the rate of 6% per annum on the amount of said tax, and an additional penalty of 1/2 of 1% of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. Where suit is brought for the recovery of any such tax, the person liable therefore shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

§18-610. Violations and Penalties: Fines

- A. Any person who fails, neglects, or refuses to make any declaration or return required by this article, any employer who fails, neglects or refuses to deduct or withhold the tax from his employees, any person who refuses to permit the officer or any agent designated by him to examine his books, records, and papers, and any person who knowingly makes any incomplete, false or fraudulent return, or attempts to do anything whatsoever to avoid the full disclosure of the amount of his net profits or earned income in order to avoid the payment of the whole or any part of the tax imposed by this article shall, upon conviction thereof before any District Justice, or court of competent jurisdiction in the county, be sentenced to pay a fine of not more than \$500 for each offense, and costs, and, in default of payment of said fine and costs, to be imprisoned for a period not exceeding 30 days. Each violation shall constitute a separate offense, punishable by a like fine or imprisonment for each day of continued violation.
- B. Any person who divulges any information which is confidential under the provisions of this article shall, upon conviction thereof before any District Justice, or court of competent jurisdiction, be sentenced to pay a fine of not more than \$500 for each offense, and costs, and, in default of payment of said fines and costs, to be imprisoned for a period not exceeding 30 days.
- C. The penalties imposed under this section shall be in addition to any other penalty imposed by any

other section of this article.

- D. The failure of any person to receive or procure forms required for making the declaration or returns required by this article shall not excuse him from making such declaration or return.
- E. Any person or entity which fails to comply with the reporting requirements of Section 9 of this article, shall, upon conviction thereof before any District Justice or court of competent jurisdiction, be sentenced to pay a fine of not more than \$500 for each offense, and costs, and, in default of payment of said fines and costs, to be imprisoned for a period not exceeding 30 days.

ARTICLE VII
VOLUNTEER SERVICE CREDIT PROGRAM

History: Adopted by the Board of Supervisors of Center Township as Ordinance No. 2018-07-03

§18-701. Definitions.

- A. **Active Volunteer:** An individual who volunteers at a Volunteer Fire Company/Department and has satisfied the following conditions:
 - 1. Completes the activities of the Volunteer Service Credit Program set forth in Section 18-602,
 - 2. Receives certification as an Active Volunteer by the Fire Chief or designee of a Volunteer Fire Company/Department, and
 - 3. Receives approval as an Active Volunteer by the Center Township Board of Supervisors.
- B. **Application:** A form (attachment "A") provided by the Center Township to a volunteer applying for certification under the Volunteer Service Credit Program.
- C. **Authorized Earned Income Tax Collector:** Berkheimer Tax Innovations or the current regional earned income tax collector.
- D. **Commissioner:** The State Fire Commissioner of the Commonwealth.
- E. **Earned Income Tax:** A tax on earned income and net profits levied under Chapter 3 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act.
- F. **Eligibility Period:** The timeframe when volunteers may earn credit under the Volunteer Service Credit Program.
- G. **Emergency Responder:** A volunteer who responds to an emergency call with the volunteer fire company/department listed under Section 18-602.C.
- H. **Emergency Response Call:** Any emergency call to which a volunteer responds, including travel directly from and to a volunteer's home, place of business or other place where he/she shall have been when the call was received.
- I. **Volunteer:** A member of a volunteer fire company/department.

§18-702. Volunteer Service Credit Program

- A. **Establishment:** Center Township hereby establishes a Volunteer Service Credit Program. The goal of the program is to encourage membership and service in the community's volunteer fire companies/departments.
- B. **Program Criteria:** The Center Township Board of Supervisors shall establish, by resolution, the criteria that must be met during the eligibility period to qualify for credits under the program based on the following:

1. The number of emergency response calls to which a volunteer responds.
 2. The level of training and participation in formal training and drills for a volunteer.
 3. The total amount of time expended by a volunteer on administrative and other support services, including but not limited to:
 - a. fundraising
 - b. providing facility or equipment maintenance
 - c. financial bookkeeping
 4. The involvement in other events or projects that aid the financial viability, emergency response or operational readiness of a volunteer fire company.
 5. The total number of years the volunteer has served.
- C. Eligible Entities: The Volunteer Service Credit Program is available to residents of the municipality who are volunteers of the following volunteer fire companies/departments:
1. Unionville Volunteer Fire Company
 2. Oneida Valley Volunteer Fire Department
- D. Eligibility Period: A volunteer must meet the minimum criteria, set by resolution under this section, during the eligibility period set forth in this section to qualify for the tax credits authorized under Section 18-603.
1. The eligibility period under the Volunteer Service Credit Program shall run from December 1 through November 30 of each year.
- E. Recordkeeping: The Fire Chief of each volunteer fire company/department listed under Section 18-602.C. shall keep specific records of each volunteer's activities in a service log to establish credits under the Volunteer Service Credit Program. Service logs shall be subject to audit/review by:
1. The Center Township Board of Supervisors or designee,
 2. The State Fire Commissioner, and
 3. The State Auditor General.
- F. Volunteer Application: Volunteers that have met the minimum criteria of the Volunteer Service Credit Program shall sign and submit an Application to their fire chief between January 1st and February 15th. The fire chief shall sign the application if the volunteer has met the minimum criteria of the Volunteer Service Credit Program.. Requests shall not be accepted by the township after February 15th of each year.

- G. Notarized List: On or before December 15th of each year, the Fire Chief, shall mail or hand deliver to the Center Township Secretary a notarized eligibility list of all volunteers that have met the minimum criteria for the Volunteer Service Credit Program and applied for certification pursuant to Section 18-602.F The Fire Chief shall post the notarized eligibility list in an accessible area of the volunteer agency's facilities.
- H. Municipal Review: The Township Secretary shall review the applications for credit under the Volunteer Service Credit Program and shall cross reference them with the notarized eligibility list. At the Center Township Board of Supervisors regular meeting in January of each year, the Center Township Board of Supervisors shall approve or disapprove the volunteers that appear on the notarized list submitted by the Fire Chief pursuant to Section 18-602.G. All applicants approved by the Board of Supervisors shall be issued a tax credit certificate (Attachment "B") by the Center Township Secretary no later than February 15th of each year.
- I. Appeal of Denial of Certification: A volunteer who is denied certification as an active volunteer shall have the right to request a hearing before the Center Township Board of Supervisors within thirty (30) days of the denial pursuant to the provisions of 2 Pa.C.S. Chapter 5, Subchapter B (relating to practice and procedure of local agencies), and 2 Pa.C.S. Chapter 7, Subchapter B (relating to judicial review of local agency action), also known as the "Local Agency Law."
- J. Official Tax Credit Register: Center Township shall keep an official Tax Credit Register of all Active Volunteers that were issued tax credit certificates. No later than December 31st of each year, the Center Township Secretary shall issue updates, as needed, of the official Tax Credit Register to the following:
1. The Center Township Board of Supervisors;
 2. Chief of the volunteer fire company/department;
 3. Authorized Earned Income Tax Collector,
- K. Injured Volunteers
1. An emergency responder that is injured during an emergency response call may be eligible for future tax credits. The injury must have occurred while responding to, participating in, or returning from an emergency response call with one of the entities listed under Section 18-602.C.
 2. An injured emergency responder shall provide documentation from a licensed physician with the application required under Section 4.F stating that their injury prevents them from performing duties to qualify as an active volunteer. In such a case, the injured emergency responder shall be deemed an active volunteer for that tax year.
 3. An injured emergency responder shall annually submit the application

required under Section 18-602.F, along with updated documentation from a licensed physician stating that the injury still exists and prevents them from qualifying as an active volunteer. The injured emergency responder shall again be deemed an active volunteer for that tax year. An injured emergency responder shall only be deemed an active volunteer for a maximum of five (5) consecutive tax years.

§18-703. Earned Income Tax Credit

- A. Tax Credit: Each active volunteer who has been certified under the Center Township Volunteer Service Credit Program shall be eligible to receive a tax credit of up to \$250.00 of the Earned Income Tax levied by the Township. The tax credit applies only to the portion of the Earned income Tax ultimately payable to Center Township. As of the date of this Article, the Earned Income Tax is divided equally between Center Township and Butler Area School District. When an active volunteer's earned income tax liability is less than the amount of the tax credit, the tax credit shall equal the individual's earned income tax liability.
- B. Claim: An active volunteer with a tax credit certificate may claim a tax credit on his (or her) Center Township Earned Income Tax liability when filing a final return for the preceding calendar year with the Authorized Earned Income Tax Collector.
- C. Rejection of Tax Credit Claim
 - 1. The tax officer shall reject a claim for a tax credit if the taxpayer is not on the official Tax Credit Register issued by the Center Township Secretary.
 - 2. If the tax officer rejects the claim, the taxpayer shall be notified in writing of the decision. The notice shall include the reasons for the rejection and provide the method of appealing the decision pursuant to Section 18-704.
 - 3. Taxpayers shall have thirty (30) days to appeal the decision of the tax officer pursuant to Section 18-704.

§18-704. Appeals

- A. Earned Income Tax Credit Appeals
 - 1. Any taxpayer aggrieved by a decision under Section 18-703 shall have a right to appeal said decision.
 - 2. A taxpayer shall have thirty (30) days to appeal a decision or rejection of claim.
 - 3. All appeals of decisions under Section 18-603 shall follow the provisions of the Act of May 5, 1998, P.L.301, No. 50, known as the Local Taxpayers Bill

of Rights.

§18-705. Penalties for False Reporting

- A. Any individual who knowingly makes or conspires to make a false report in an application for certification under this Article commits a misdemeanor of the first degree punishable by a fine of \$2,500.
- B. Any individual who knowingly provides or conspires to provide false information that is used to compile a service log under this Article commits a misdemeanor of the first degree punishable by a fine of \$2,500.