

**ORDINANCE NO. \_\_\_\_**

**TAX ORDINANCE**

**RESTATING AND AMENDING AN ORDINANCE  
IMPOSING A TAX ON EARNED INCOME AND NET  
PROFITS OF INDIVIDUAL RESIDENTS OF THE TOWNSHIP OF CONEWAGO,  
DAUPHIN COUNTY, PENNSYLVANIA AND BY NON-RESIDENTS FOR WORK DONE  
OR SERVICES PERFORMED THEREIN.**

BE IT ORDAINED by the Board of Supervisors of the Township of Conewago, Dauphin County, Pennsylvania, under authority of The Local Tax Enabling Act, 53 P.S. § 6901 et seq., as follows:

**SECTION 1. DEFINITIONS**

All terms defined in Section 13 of The Local Tax Enabling Act, 53 P.S. § 6913, shall have the meanings set forth therein. The following terms shall have the meanings set forth herein:

- (a) Bureau. The Lancaster County Tax Collection Bureau, doing business as the “Middletown Area Tax Collection Bureau”. The Bureau is an agency organized and operated by its member school districts to collect, receive, and administer earned income and net profits taxes as authorized by resolutions of the member school districts and also of municipalities and other school districts with which it may enter into collection agreements.
- (b) Enabling Act. The Local Tax Enabling Act, 53 P.S. § 6901 et seq., and as amended in the future.
- (c) Regulations. Regulations duly adopted by the Bureau for administration of the earned income and net profits tax. To the extent allowed by law, including but not limited to 1 Pa. C.S.A. § 1937, the Board of Supervisors of the Municipality intends to incorporate future amendments to the Regulations. If a court prohibits such construction, the Board of Supervisors intends to incorporate the Regulations as they exist on the date of enactment of this Ordinance.
- (d) Municipality. Township of Conewago, Dauphin County, Pennsylvania.

**SECTION 2. IMPOSITION OF EARNED INCOME AND NET PROFITS TAX – RESIDENTS AND NON-RESIDENTS**

Effective January 1, 2005, the Municipality imposes a tax for general revenue purposes at the rate of 1% on (a) earned income received and net profits earned by individual residents of the

Municipality and (b) earned income received and net profits earned by non-resident individuals for work or services performed or rendered, or a business, profession or activity conducted, in the Municipality. The tax shall continue at this rate thereafter during calendar year 2005 and during each year thereafter, without annual re-enactment, until this Ordinance is repealed or the rate of tax changed. The school district in which the municipality is located also imposes a tax at the rate of .5% on earned income received and net profits earned by residents of the Municipality. As a result of the school district tax, and certain provisions of the Enabling Act, the Municipality is limited to collecting the tax at the rate of .5% from residents. The total tax rate applicable to residents and non-residents, including the tax imposed by the school district, is 1%.

**SECTION 3. RETURNS AND PAYMENTS BY TAXPAYERS**

- (a) Every taxpayer earning net profits or receiving earned income in any year shall, on or before April 15 of the succeeding year, make and file with the Income Tax Officer a return thereof (on forms, and furnishing information, prescribed by the Income Tax Officer) and pay the tax due thereon (or balance thereof after crediting prior payments).
- (b) Further details concerning taxpayer payment and making returns of tax levied by this Ordinance are set forth in the Regulations. If required in the Regulations, taxpayers shall file a declaration of estimated net profits and quarterly returns and pay the tax due thereon and shall file quarterly returns of earned income and pay the tax due thereon.

**SECTION 4. EMPLOYER COLLECTION AT SOURCE**

- (a) As authorized in Section 10 of the Enabling Act, the Municipality will enter into a Tax Collection Agreement, which constitutes a joint agreement with other political subdivisions for collection of the tax by the Bureau and has included in this Ordinance provisions deemed necessary for collection of the tax. Every employer with a place of business or doing business in the Municipality, or in the jurisdiction of the Bureau as defined in the Regulations, is required to register, to deduct tax from earned income of employees subject to the tax within the jurisdiction of Bureau, including without limitation, those non-resident employees doing work or performing services in the Municipality; to file quarterly reports and make remittances, and to do other acts as set forth in Section 13 (IV) of the Enabling Act.
- (b) Any employer who has no place of business and does no business in the Municipality, or in the jurisdiction of the Bureau, but who desires, for the convenience of employees residing within the Municipality, to deduct tax owed hereunder from employee wages, shall become subject to all obligations of timely filing of returns, reports and remittances, and of maintaining and disclosing records, and to interest and penalties with respect to tax deducted, in all respects as applicable to an employer with a place of business or doing business in the Municipality, or in the jurisdiction of the Bureau.
- (c) Tax owed hereunder and deducted from wages by an employer shall at all times be the property of the Municipality, and shall constitute a trust fund held by the employer until

remitted to the Income Tax Officer; and deduction of tax from wages shall, as between the employee and the Municipality, constitute payment of the tax by the employee, regardless of any insolvency or failure to remit by the employer.

**SECTION 5. INCOME TAX OFFICER**

This Municipality designates the Bureau as its Income Tax Officer to perform all the duties, be subject to all the requirements, and have all the powers prescribed by Section 13 (V) of the Enabling Act. The Bureau shall receive such compensation for its services as it and the Municipality agree from time to time. The Municipality expressly authorizes the Bureau to promulgate and amend the Regulations.

**SECTION 6. SUIT FOR COLLECTION OF TAX; INTEREST AND PENALTIES; INCORPORATION OF ALL PRESENT AND FUTURE ENABLING ACT PROVISIONS**

- (a) Suits for collection of tax are authorized, and interest and penalties imposed, as provided in Section 13 (VII) and (VIII) of the Enabling Act.
- (b) Notwithstanding prior mention in this Ordinance of specific sub-sections of Section 13 of the Enabling Act, all provisions of the entire Section 13 of the Enabling Act, are incorporated into this Ordinance by this reference, as required by the Enabling Act. Any provisions which any future supplements to or amendments of the Enabling Act may require to be included in or construed to be a part of any tax on earned income or net profits, or of the Ordinance levying the same, shall automatically become a part of this Ordinance upon the effective date of such supplement or amendment, without the need for formal amendment of this Ordinance, to the maximum extent allowed by 1 Pa C.S.A. § 1937.

**SECTION 7. DEDUCTIONS; LOSSES; EXEMPTION FOR PERSONS UNDER AGE 16**

- (a) Employee's Unreimbursed Business Expenses -- Business expenses are as set forth in the Regulations.
- (b) Losses -- Losses are as set forth in the Regulations.
- (c) Persons Under 16 Years of Age-- This School Board finds (1) that minors of various age groups have traditionally, and with judicial sanction, been considered as comprising separate classes for many legislative purposes, and (2) that minors under the age of sixteen years are for the most part unemancipated and subject to compulsory school attendance and child labor laws, and therefore for the most part so lacking in power to earn and to have legal control of money or property that enforcement of reporting and collection of tax hereunder against them would yield inconsequential amounts and would be unduly difficult, expensive, and not in the public interest. Therefore, persons under the age of sixteen years are exempted from all liability for tax under this Ordinance.

**SECTION 8. CONTINUITY; NON-APPLICABILITY; SEVERABILITY**

- (a) The tax levied by this Ordinance imposes the same tax without substantial change as imposed by this Municipality in previous years, and shall be so interpreted.
- (b) This Ordinance shall not apply to any person or property as to whom or which it is beyond the legal power of this Municipality to impose any tax or duty herein provided for.
- (c) If any section, clause, sentence, or part of this Ordinance is for any reason judicially determined to be unconstitutional, illegal or invalid, such determination shall not affect or impair any of the remaining sections, clauses, sentences or parts hereof; and it is declared to be the intent of the Board of School Directors of the Municipality that this Ordinance would have been adopted even if such unconstitutional, illegal or invalid portion had not been included.

**SECTION 9. REPEAL OF PRIOR EARNED INCOME TAX ORDINANCES**

The provisions of this Ordinance, so far as they are the same as Ordinances in force immediately prior to the enactment of this Ordinance, are intended as a continuation of such Ordinance and not as a new enactment. In the event that this Ordinance is declared invalid, any prior Ordinance of the Municipality levying an earned income and net profits tax shall remain in full force and effect and shall not be affected in any manner by enactment of this Ordinance. The provisions of this Ordinance shall not affect any act done or liability incurred, nor shall they affect any suit or prosecution pending or to be instituted to enforce any right or penalty or to punish any offense under the authority of any Ordinance in effect prior to the enactment of this Ordinance. Subject to the foregoing provisions of this Section, effective January 1, 2005, this Ordinance shall supersede and repeal Ordinances levying an earned income and net profits tax in force immediately prior to the effective date of this Ordinance.

**SECTION 10. TAX COLLECTION AGREEMENT**

The Tax Collection Agreement (Middletown Area Tax Collection Bureau) is approved in form as presented this date to this governing body, and the officers of the Municipality are authorized to execute the Tax Collection Agreement in substantially such form, with such changes as may be approved by the officers executing the same. If previously executed, the Tax Collection Agreement is approved as executed. The officers are authorized to take any actions necessary or appropriate to carry out the terms of this Tax Ordinance and the Tax Collection Agreement.

**SECTION 11. EFFECTIVE DATE**

Section 10 is effective immediately. The remainder of this Ordinance shall become effective January 1, 2005.

ORDAINED AND ENACTED this \_\_\_\_\_ day of \_\_\_\_\_.

BOARD OF SUPERVISORS  
TOWNSHIP OF CONEWAGO  
DAUPHIN COUNTY, PENNSYLVANIA

By: \_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

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