

ORDINANCE NO. 22

An Ordinance imposing tax on wages, salaries, commission and other earned income of individuals for General Revenue purposes; setting forth the administration and collection of the tax, the return and payment of the tax by taxpayers, the withholding of tax from wages and return and payment of withheld tax by employers; enforcement, interest, penalties, and definitions.

The Board of Supervisors of the Township of Washington, Franklin County, Pennsylvania, hereby enacts and ordains as follows:

Section 1. This Ordinance shall be known and may be cited as the "Township of Washington earned income tax Ordinance of 1966".

Section 2. Imposition of Tax. A tax for general revenue purposes at the rate of one-half percent ($\frac{1}{2}\%$) is hereby imposed on earned income received (with respect to cash-basis taxpayers) or earned (with respect to accrual-basis taxpayers) by individual residents of the Township of Washington during the period beginning January 1, 1966, and ending December 31, 1966.

Section 3. Definitions.

(a) Earned income - is defined as wages and net profits.

(b) Wages - are defined as income from salaries, wages, commissions, bonuses, incentive payments and all other forms of compensation, in cash or property, for services rendered by an employee to an employer.

(c) Net profits - are defined as income from an individual, fiduciary, partnership or joint venture, as owner or proprietor of a business profession, activity or enterprise carried on for purposes of profit, after deducting from gross income all reasonable costs and expenses (other than taxes based on income), depreciation and losses paid or accrued (in accordance with the accounting method used) in the conduct thereof.

(d) Bureau is the Waynesboro Area Tax Bureau - an agency organized and operated jointly by the Township of Washington and other School Districts and political sub-divisions to collect and receive earned income taxes and administer earned income tax resolutions of the School District members and the earned income tax ordinances of the political sub-division members.

(e) Bulk reporter - is a qualified and approved (by the Bureau) natural person, partnership, association, corporation, governmental body or unit or agency, or any other entity reporting and/or paying tax for persons subject to tax.

(f) Employee - a natural person employed by an employer on a salary, wage, commission or other compensation basis.

(g) Employer - a natural person, partnership, association, corporation, governmental body or unit or agency, or any other persons on a salary, wage, commission or other compensation basis.

(h) Executive committee - the governing body of the Bureau.

(i) Executive Director - the chief administrative officer of the Bureau.

(j) Resident - an individual who lives in, inhabits and has a place of abode in the Township of Washington, as evidenced, among other things by one or more of the following:

1. By his customarily being physically present, sleeping and eating there;
2. By his maintaining religious, civic and club affiliations there;
3. By his holding himself out as residing there, l.e., giving addresses in registration for licenses, payment of per capita, personal property or income taxes;
4. By his spouse and minor children living there;
5. By the center of his affairs appearing to be there.

Section 4. Administration and collection of tax; powers of Bureau.

(a) The Township of Washington hereby designates Waynesboro Area Tax Bureau (an unincorporated agency organized and operated jointly by the Township of Washington and other School Districts and political sub-divisions) as its agent to collect and receive all taxes imposed by this ordinance, and to do all things needful for the efficient administration and enforcement of all provisions of this ordinance. Without limiting the generality of the foregoing, the Bureau shall have the power to issue receipts on behalf of the Township of Washington; to prepare and distribute forms and to require the filing by taxpayers and employers of reports and returns to examine books, papers and records of any taxpayer or employer in order to verify the accuracy of any report or return; to correct or supply any inaccurate, incomplete or missing return from the best inform-

ation available and to assess and collect tax due thereon; to examine any person under oath concerning income returned, or which should have been returned, for taxation hereunder; to compel production of books, papers and records and attendance of persons, (whether as parties or witnesses) before the Bureau; to refund erroneous or excessive payments; to compromise disputed claims as to amount of tax due; and to prescribe (subject to approval of all participating political subdivisions) rules and regulations for administration, interpretation and enforcement of this ordinance, which regulations may, among other things, provide for bulk returns and payment by qualified and approved persons and the issuing by them of receipts on behalf of this Township of Washington and the Bureau to individual taxpayers, said bulk reporters to be qualified and approved by said Bureau; provided, however, that the following persons inter alia are declared by the intent of this ordinance, to be qualified and therefore shall be approved by said Bureau; all employers and all persons holding a current admission to practice in any capacity before the United States Treasury Department or the Department of Revenue of the Commonwealth of Pennsylvania, all C.P.A.'s and attorneys currently licensed to practice in the Commonwealth of Pennsylvania and all Notaries currently holding office in Pennsylvania and all other persons as may be determined by the Bureau to be similarly qualified, said Bureau to be the conclusive judge of such persons' qualifications; include provisions for change of accounting methods, and accelerated return and payment dates for short taxable periods resulting from a taxpayers' death, bankruptcy

or removing from the Township of Washington. Such rules and regulations shall be kept available to public inspection at the Township office, Main Street, Rouzerville, Pennsylvania.

(b) Every individual resident and his employer in this Township and every employer elsewhere who voluntarily deducts tax hereunder from wages and every bulk reporter and payer, is hereby authorized to maintain accurate books, papers and records showing the liability for tax hereunder of such resident and of such employer and his resident employees, and of such bulk reporter and the taxpayer for whom bulk report is being made, and to reveal the same to the Bureau or its authorized representatives, on request.

(c) All officers and employees of the Bureau handling funds or countersigning checks therefore shall furnish fidelity bonds for the full amount of funds in their control at any time, as determined by the Bureau's Executive Committee, and the Bureau shall remit net collections (after deduction of expenses and reserves determined by said Executive Committee) to this Township at the times provided in the Bureau's by-laws approved by this Township or as provided in future amendments thereof, approved by all participating political subdivisions.

(d) Any information gained by an officer or employee of the Bureau or of this Township as a result of any returns, investigations or hearings required or authorized by this ordinance shall be confidential, except for official purposes in connection with administration or enforcement of this ordinance, and shall not be disclosed or made available for disclosure for any other purpose, except upon judicial order.

Section 5. Return and payment of tax by taxpayers:

Every person whose wages or net profits are subject to tax for the period to which this ordinance is applicable shall report the same on forms provided by the Bureau, and shall pay to the Bureau the tax due thereon, for wages or net profits received or earned between January 1, 1966, and December 31, 1966 by a return to be filed and tax paid on or before April 15, 1967.

Each such return shall also include wages and net profits reportable, and each such payment shall also include tax payable at the same above mentioned times under any ordinance of this Township adopted in or for any other year, so that but one inclusive return shall be filed and but one inclusive payment made for the same calendar year or for the same fiscal year of the taxpayer, and so that taxpayers records of wages and net income for Federal Income Tax on calendar or fiscal year basis may be conveniently used for reporting taxes due to this Township.

Such return shall state the taxpayers name, address, place of employment or business, and/or the taxpayer's account number, aggregate wages (before any deductions) or net profits subject to tax, for the period of the return, the amount of tax due, the amount of any credit claimed for tax withheld by an employer, and such other information as may be required by the Bureau. Provided, however, that to the extent the return and payment of tax by taxpayers be made through a qualified and approved bulk reporter and payer, the bulk reporter's return shall state the taxpayer's name, address, place of

employment or business and/or the taxpayer's account numbers with the aggregate wages (before any deduction) or the net profits subject to tax for the period of the return for all the taxpayers for whom bulk report is being made, the amount of tax due for all the taxpayers for whom bulk report is being made, the amount of any credit claimed for tax withheld by the employers for all the taxpayers for whom bulk report is being made and such other information as may be required by the Bureau, which return shall be accompanied by the net tax payable in connection with said bulk return.

Section 6. Withholding of tax from wages; return and payment of withheld tax by employers:

(a) Every employer who resides or whose place of business is located within the Township of Washington and who employs a resident of the Township of Washington for wages shall deduct from such wages at time of payment thereof, the tax imposed thereon by Section 2 of this ordinance and shall remit the same to the Bureau, accompanied by returns on forms provided by the Bureau, at the following times:

For Quarters comprising the following months in which wages are paid: . . . Payment due on or before:

January, February, March	April 30
April, May, June	July 31
July, August, September	October 31
October, November, December	January 31

Employer's returns for each quarter shall state, with respect to that quarter, the aggregate wages for which, and number of employees from whom, reported tax was withheld, the aggregate amount of tax withheld, the commission (if any) which the employer is entitled to deduct, the net amount of tax remitted, and any other pertinent information which may be required by the Bureau. The return due on or before January 31, 1967, shall be accompanied by a report form with respect to each employee from whose wages the employer had deducted wage tax for this Township at any times during the preceding calendar year, stating the full name and address of employer and employees, the employee's social security number and/or account number and total wages paid to the employee, during the preceding calendar year; provided, however, that if the employer be a qualified and approved bulk reporter and payer, said report form shall show the full name and address of the employer and the employees for whom bulk reporting and payment is being made, said employee's social security number and/or account number and the total wages paid to all of the employees during the preceding calendar year for whom bulk reporting and payment is being made, together with such other information and reconciliations of quarterly reports as the Bureau may require. Any employer who discontinues business (or his legal representatives) shall file a final quarterly-type return and annual-type return and pay tax, covering periods not previously reported, within 30 days following such discontinuance.

(b) Any non-resident employer beyond the limits of said Township who desires, for the convenience and with the consent

of his employees residing in this Township to deduct tax hereunder from such employee's wages, shall be entitled to the commission hereafter allowed, and shall become subject to all obligations of timely filing of returns, reports and remittances and of maintaining and disclosing records, and to all interest and penalties with respect to such tax as he may actually deduct, in all respects and with the same incidents, as though he were a resident employer. But no such deduction shall obligate such employer to continue to make future deductions.

(c) Tax deducted from wages by any employer shall at all times be and remain the property of this Township and shall constitute a trust fund in the employer's hands until remitted to the Bureau; and deduction of tax from wages shall, as between employee and this Township, constitute payment of the tax by the employee, regardless of any insolvency or failure to remit on the employer's part.

(d) Every employer who shall deduct tax from wages and remit it, together with all required returns and reports, to the Bureau, within the times above specified, shall be entitled to deduct from each such remittance a commission of 2% of the tax withheld as compensation for services performed thereby for this Township.

Section 7. Exemptions and Fiscal Year Options.

(a) Disability and Retirement Benefits: Military Bonuses and pay, sickness, disability and retirement benefits paid by an employer or former employer, bonuses paid by state or federal government for past services in the armed forces, or compensation

paid by the United States for active personal services in the armed forces, shall not be considered as "wages" under this ordinance.

(b) Persons under 16 years of age - The Township Supervisors find (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 maney 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; and therefore persons under the age of sixteen years are hereby exempted from all liability for tax under this ordinance.

(c) No withholding on Domestic Help - The Township Supervisors find (1) that domestic employment in private homes has repeatedly and with judicial sanction, been treated as constituting a special class of employment for many legislative purposes and (2) that such employment is generally of such brief and intermittent nature, and wages paid therefore so relatively inconsequential that the withholding of tax from such wages would involve reporting and remitting burdens on non-business employers and auditing, accounting and enforcing burdens on the Bureau, disproportionate to the advantages to this Township of having such tax withheld; and therefore

persons employing domestic help (including "baby sitters") are hereby exempted from all obligations under Section 5 to withhold tax from wages of such help. This exemption does not exonerate recipients of such wages from duty to report and pay tax under Section 3.

(d) Fiscal Year Basis: Any taxpayer, for his convenience and subject to any adjustments required by the Bureau for previous or future returns made on the basis of a calendar year or different fiscal year, may elect to report and pay tax hereunder on the taxpayer's fiscal-year basis instead of on the Township's calendar year basis provided for in Section 2 and 4. Such election shall be filed with the Bureau and shall contain a written agreement by the taxpayer that his earned income for such fiscal year shall be deemed in all respects to constitute and shall be a substitute for earned income of the tax year which is subjected to tax by this ordinance. Such election shall be at the risk of the taxpayer with respect to any adjustments of tax paid to or claimed by other taxing districts with respect to the same income. A fiscal-year taxpayer shall report and pay tax in full, in one payment on or before the 105th day after the close of his fiscal year.

Section 8. Failure to Receive Forms.

Failure of a taxpayer or employer to receive forms or returns shall not excuse any failure to file any reports or returns which may be required, or to pay any tax due hereunder.

Section 9. Enforcement, Interest and Penalties.

(a) All taxes due under this ordinance (either from taxpayers or withholding employers) (or bulk payers) which are not paid to the Bureau within the times herein specified, shall be subject to a penalty of 5% and if tax and penalty be not paid within 90 days after due-date of the tax, they shall bear interest at the rate of $\frac{1}{2}$ of 1% for each month during which they remain unpaid after said 90 day period.

(b) Any officer employee of, or other person otherwise associated with, the Bureau or this Township who reveals for unauthorized purposes any confidential information acquired hereunder shall, upon conviction in a summary proceeding before any Justice of the Peace of Washington Township be sentenced to pay a fine not exceeding Three Hundred (\$300.00) Dollars, together with the costs of prosecution and in default thereof, to undergo imprisonment in the Franklin County Jail for a period of not more than thirty (30) days.

(c) Any person, any partner of a partnership and any officer of a corporation or unincorporated association who fails, neglects or refuses to file any report or return, or to pay, deduct from wages or transmit any tax, penalty or interest required of such person, partnership, corporation or unincorporated association by this ordinance or who fails, neglects or refuses to maintain or to reveal to the Bureau of its authorized representatives or to permit the latter to examine books, records or papers relevant to tax imposed hereunder, or who knowingly makes any incomplete, false or fraudulent report or return or attempts to do any other thing

to avoid payment in whole or in part of the tax imposed under this ordinance or who violates any other provision of this ordinance shall, upon conviction before any Justice of the Peace having jurisdiction, be fined in an amount not exceeding \$300.00 for each offense, for the use of this Township together with costs of the penal action or prosecution and in default of payment thereof, shall be sentenced to imprisonment in the Franklin County Prison for a period not exceeding 90 days. Imposition of any fine or imprisonment under this subsection (c) shall not bar any correction or supplying any incorrect, incomplete or missing returns from the best information available and the assessment and collection of tax due thereon nor any civil liability for tax, penalty or interest under subsection (a) nor shall availability of the foregoing penal provisions bar any prosecution for embezzlement, fraudulent conversion or other offense under the Penal Code.

(d) All taxes, penalties and interest imposed by this ordinance shall be recoverable either in the name of this Township or in the name of the Bureau as its agent, in civil and/or penal actions, as may be appropriate. Such actions shall be commenced no later than six years after the date of violation or due date of the tax, payment, report or return, except in case of a failure to file, or the filing of a fraudulent report or return, in which case there shall be no limitation of action hereunder.

Section 10. Non-Applicability and Severability.

(a) This ordinance shall not apply to any person or property as to whom or which is beyond the legal power of this Township to impose any tax or duty herein provided for.

(b) 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 effect or impair any of the remaining sections, clauses, sentences or parts hereof; and it is hereby declared to be the intent of the Township Supervisors that this ordinance would have been adopted even if such unconstitutional, illegal or invalid portions had not been included herein.

Section 11. Construction.

(a) All references throughout this ordinance to persons, residents, taxpayers or employers in the masculine, singular form also includes the feminine, neuter and plural.

Section 12. This ordinance is enacted pursuant to and by authority of the Act of Assembly of June 25, 1947, P.L. 1145 (53 P.S. 6851 et seq.) of the Commonwealth of Pennsylvania and the amendments thereto.

Section 13. This ordinance shall become effective January 1, 1966.

Enacted into an ordinance this 15th day of November, 1965.

Washington Township Supervisors

Melvin T. Sease
Melvin T. Sease

Merle C. Eigenbrode
Merle C. Eigenbrode

A. Guy Shank
A. Guy Shank