

ORDINANCE NO. 2010-1
EARNED INCOME TAX ORDINANCE
LOWER OXFORD TOWNSHIP, CHESTER COUNTY, PENNSYLVANIA

AN ORDINANCE AMENDING CHAPTER 24 OF THE LOWER OXFORD TOWNSHIP CODE TITLED TAXATION PART 3 EARNED INCOME TAX TO LEVY A TAX ON EARNED INCOME AND NET PROFITS; PROVIDING EXEMPTIONS; REQUIRING TAX RETURNS; REQUIRING EMPLOYERS TO WITHHOLD AND REMIT TAX; AND RELATED PROVISIONS.

ENACTED, by the Township of Lower Oxford, Chester County, Pennsylvania under authority of the Local Tax Enabling Act, 53 P.S. § 6924.101 *et seq.*, and other applicable law, as follows:

SECTION 1. DEFINITIONS

All terms defined in the Local Tax Enabling Act, 53 P.S. § 6924.101 *et seq.*, shall have the meanings set forth therein. The following terms shall have the meanings set forth herein:

- a. Collector. The person or entity appointed as tax officer pursuant to the Local Tax Enabling Act to collect the Tax.
- b. Effective Date. January 1, 2011.
- c. Enactment. This Ordinance.
- d. Governing Body. The Township of Lower Oxford, Chester County, Pennsylvania.
- e. Local Tax Enabling Act. The Local Tax Enabling Act, 53 P.S. § 6924.101 *et seq.*, and as amended in the future.
- f. TCD. Any tax collection district to which the Taxing Authority or any part of the Taxing Authority is assigned under the Local Tax Enabling Act.
- g. TCC. The tax collection committee established to govern and oversee the collection of earned income tax within the TCD under the Local Tax Enabling Act.
- h. Tax. The tax imposed by this Enactment.
- i. Tax Return. A form prescribed by the Collector for reporting the amount of Tax or other amount owed or required to be withheld, remitted, or reported under this Enactment or the Local Tax Enabling Act.
- j. Tax Year. The period from January 1 to December 31.
- k. Taxing Authority. The Township of Lower Oxford, Chester County, Pennsylvania.

SECTION 2. IMPOSITION OF TAX

- a. General Purpose Resident Tax. The Taxing Authority hereby imposes a Tax for general revenue purposes at the rate of one percent (1%) (.01) on earned income and net profits of individual residents of the Taxing Authority.
- b. Open Space Municipal Resident Tax. In addition to the Tax levied for general revenue purposes, the Taxing Authority hereby imposes a Tax for expenses related to open space lands under 32

P.S. § 5007.1 at the rate of one-half (1/2) of one percent (1%) (.005) on earned income and net profits of individual residents of the Taxing Authority. This tax for open space lands was previously authorized by voter referendum.

- c. General Purpose Municipal Nonresident Tax. The Taxing Authority also imposes a Tax for general revenue purposes at the rate of one percent (1%) on earned income and net profits derived by an individual who is not a resident of the Taxing Authority from any work, business, profession, or activity, of any kind engaged in within the boundaries of the Taxing Authority.
- d. Ongoing Tax. The Tax shall continue at the above rates during the current Tax Year and each Tax Year thereafter, without annual re-enactment, until this Enactment is repealed or the rate is changed.
- e. Combined Tax Rate Applicable to Residents. Currently, the total rate applicable to residents of the Taxing Authority, including the tax imposed by the school district and municipality in which the individual resides, is one and one-half percent (1.5%) (.015).
- f. Municipal Tax Rate Applicable to Nonresidents. Currently, the total rate applicable to non-residents working within the Taxing Authority based on the municipal non-resident tax rate is one percent (1%) (.01).
- g. Local Tax Enabling Act Applicable. The Tax is imposed under authority of the Local Tax Enabling Act, and all provisions thereof that relate to a tax on earned income or net profits are incorporated into this Enactment. Any future amendments to the Local Tax Enabling Act that are required to be applied to a tax on earned income or net profits will automatically become part of this Enactment upon the effective date of such amendment, without the need for formal amendment of this Enactment, to the maximum extent allowed by 1 Pa.C.S.A. § 1937.
- h. Applicable Laws, Regulations, Policies, and Procedures. The Tax shall be collected and administered in accordance with: (1) all applicable laws and regulations; and (2) policies and procedures adopted by the TCC or by the Collector. This includes any regulations, policies, and procedures adopted in the future to the maximum extent allowed by 1 Pa.C.S.A. § 1937.

SECTION 3. EXEMPTIONS

No Exemption from Tax. Although credits and deductions against Tax are permitted under certain circumstances as provided in applicable law and regulations, no individuals are exempt from Tax based on age, income, or other factors.

SECTION 4. INDIVIDUAL TAX RETURNS AND PAYMENTS

Every individual receiving earned income or earning net profits in any Tax Year shall file Tax Returns and pay Tax in accordance with the Local Tax Enabling Act.

SECTION 5. EMPLOYER WITHHOLDING, REMITTANCE, AND TAX RETURNS

Every employer shall register, withhold, and remit Tax, and file Tax Returns in accordance with the Local Tax Enabling Act.

SECTION 6. TAX COLLECTOR

The Tax will be collected from individuals and employers by the Collector.

SECTION 7. INTEREST, PENALTIES, COSTS, AND FINES

Individuals and employers are subject to interest, penalties, costs, and fines in accordance with the Local Tax Enabling Act, including costs imposed by the Collector in accordance with authorization by the TCC having jurisdiction.

SECTION 8. SEVERABILITY

The provisions of this Enactment are severable and if any of its provisions are ruled by a court invalid or unconstitutional, such decision shall not affect or impair any of the remaining provisions of this Enactment. It is declared to be the intention of the Governing Body that this Enactment would have been adopted if such invalid or unconstitutional provision had not been included.

SECTION 9. PURPOSE/REPEAL

The primary purpose of this Enactment is to conform the earned income and net profits tax currently imposed to the Local Tax Enabling Act, as amended and restated by Act 32 of 2008, and to do so within the time frame required by Act 32. Any prior enactment or part of any prior enactment conflicting with the provisions of this Enactment is rescinded insofar as the conflict exists. To the extent the same as any enactment in force immediately prior to adoption of this Enactment, the provisions of this Enactment are intended as a continuation of such prior enactment and not as a new enactment. If this Enactment is declared invalid, any prior enactment levying a similar tax shall remain in full force and effect and shall not be affected in any manner by adoption of this Enactment. The provisions of this Enactment shall not affect any act done or liability incurred, nor shall such provisions affect any suit or prosecution pending or to be initiated to enforce any right or penalty or to punish offense under the authority of any enactment in force prior to adoption of this Enactment. Subject to the foregoing provisions of this Section, this Enactment shall supersede and repeal on the Effective Date any enactment levying a tax on earned income or net profits in force immediately prior to the Effective Date.

SECTION 10. EFFECTIVE DATE: The provisions of this Ordinance shall become effective on January 1, 2011.

DULY ENACTED AND ORDAINED this 17th day of November 2010, by the Board of Supervisors of Lower Oxford Township.

Attest:

Jana B. Laganelli
Secretary

BOARD OF SUPERVISORS
LOWER OXFORD TOWNSHIP

Absent
Kenneth L. Hershey, Chairman

W. Ronald Kepler
W. Ronald Kepler

W. Ralph Cheek
W. Ralph Cheek