

No. 1982-134

AN ACT

HB 1999

Amending the act of August 24, 1961 (P.L.1135, No.508), entitled "An act imposing a tax for general public school purposes in school districts of the first class A on salaries, wages, commissions and other compensation earned by residents thereof, and on the net profits earned from businesses, professions or other activities conducted by residents thereof; providing for its levy and collection; requiring the filing of declarations and returns and the giving of information by employers and by those subject to the tax; imposing on employers the duty of collecting the tax at source; conferring and imposing powers and duties on boards of public education and school treasurers in such districts; providing for the administration and enforcement of the act and imposing penalties for violation thereof," further providing for the withholding procedure by employers of taxes and increasing the interest and penalties assessed for late payments.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Subsection (b) of section 4, act of August 24, 1961 (P.L.1135, No.508), entitled "An act imposing a tax for general public school purposes in school districts of the first class A on salaries, wages, commissions and other compensation earned by residents thereof, and on the net profits earned from businesses, professions or other activities conducted by residents thereof; providing for its levy and collection; requiring the filing of declarations and returns and the giving of information by employers and by those subject to the tax; imposing on employers the duty of collecting the tax at source; conferring and imposing powers and duties on boards of public education and school treasurers in such districts; providing for the administration and enforcement of the act and imposing penalties for violation thereof," is amended and subsections are added to read:

Section 4. Collection at Source.—* * *

(b) Every person and/or resident employer within a school district imposing **[a tax under this act] taxes on a person's earnings**, who employs one or more persons on a salary, wage, commission or other compensation basis, other than domestic servants, *and who withholds, expects to withhold or should withhold from employes an aggregate amount less than two hundred dollars (\$200) per month in said taxes*, shall deduct *those taxes on the salaries, wages, commissions and other compensation due to his employe or employes*, monthly or more often than monthly, at the time of payment thereof[, **the tax imposed by this act on the salaries, wages, commissions and other compensation due to his employe or employes,**] and shall, on or before April 30, July 31 and October 31 of the tax year and January 31 of the year next succeeding the tax year, file a return of taxes deducted, on **[a form] forms** prescribed by the treasurer,

and pay to the treasurer the amount of taxes deducted during the preceding three-month periods ending March 31, June 30, September 30 and December 31 of the tax year, respectively.

(b.1) Every person and/or resident employer within a school district imposing taxes on a person's earnings, who employs one or more persons on a salary, wage, commission or other compensation basis, other than domestic servants, and who withholds, expects to withhold or should withhold from employes an aggregate amount greater than or equal to two hundred dollars (\$200) per month in said taxes, shall deduct those taxes on the salaries, wages, commissions and other compensation due to his employe or employes monthly or more often than monthly, at the time of payment thereof, and shall, on February 15, March 15, May 15, June 15, August 15, September 15, November 15 and December 15 and January 30, April 30, July 30 and October 30 file a return of taxes deducted on forms prescribed by the treasurer and pay to the treasurer the amount of taxes deducted during the previous month of the tax year respectively.

* * *

(g) Every employer who wilfully 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 employe.

Section 2. Section 7 of the act is amended to read:

Section 7. Interest and Penalties.—If for any reason the tax *imposed by this act or any other tax imposed on a person's earnings by school districts of the first class A* is not paid when due, interest at the rate of six per centum per annum on the amount of said [tax] *taxes or interest at a per annum rate which does not exceed the Federal Reserve Discount Rate in effect for Federal Reserve District Four on December 1 of the preceding tax year, whichever is greater*, and an additional penalty of [one-half of one per centum] *five per centum* of the amount of the unpaid [tax] *taxes* for each month or fraction thereof during which the [tax remains] *taxes remain* unpaid, shall be added and collected: *Provided, That the additional penalty imposed herein shall not exceed fifty per centum of the unpaid taxes. A school district shall, on or before December 31, establish by resolution the specific per annum interest rate to be imposed on unpaid taxes during the following tax year.* Where suit is brought for the recovery of any such tax, the person liable therefor shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

Section 3. This act shall take effect immediately.

APPROVED—The 10th day of June, A. D. 1982.

DICK THORNBURGH