

No. 1982-125

AN ACT

HB 1998

Amending the act of June 20, 1947 (P.L.745, No.320), entitled "An act to provide revenue for school districts of the first class by imposing a temporary mercantile license tax on persons engaging in certain occupations and businesses therein; providing for its levy and collection; for the issuance of mercantile licenses upon the payment of fees therefor; conferring and imposing powers and duties on boards of public education, receivers of school taxes and school treasurers in such districts; saving certain ordinances of council of certain cities, and providing compensation for certain officers, and employes and imposing penalties," editorially revising the act and further providing for the interest rate on delinquent taxes.

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

Section 1. The title, act of June 20, 1947 (P.L.745, No.320), entitled "An act to provide revenue for school districts of the first class by imposing a temporary mercantile license tax on persons engaging in certain occupations and businesses therein; providing for its levy and collection; for the issuance of mercantile licenses upon the payment of fees therefor; conferring and imposing powers and duties on boards of public education, receivers of school taxes and school treasurers in such districts; saving certain ordinances of council of certain cities, and providing compensation for certain officers, and employes and imposing penalties," reenacted and amended May 12, 1949 (P.L.1238, No.374), is amended to read:

AN ACT

To provide revenue for school districts of the first class *A* by imposing a temporary mercantile license tax on persons engaging in certain occupations and businesses therein; providing for its levy and collection; for the issuance of mercantile licenses upon the payment of fees therefor; conferring and imposing powers and duties on boards of public education, receivers of school taxes and school treasurers in such districts; saving certain ordinances of council of certain cities, and providing compensation for certain officers, and employes and imposing penalties.

Section 2. Clause (10) of section 1 of the act is amended to read:

Section 1. Definitions.—The following words and phrases when used in this act shall have the meanings ascribed to them in this section unless the context clearly indicates a different meaning.

* * *

(10) "Collector" shall mean the receiver of school taxes, or in a school district of the first class *A* in which there is no such receiver of school taxes, the school treasurer.

Section 3. Section 2 of the act, amended May 9, 1949 (P.L.1015, No.294), is amended to read:

Section 2. Authority to Levy and Collect Tax; Use of Tax.—

(a) For the year one thousand nine hundred forty-eight and annually thereafter, every school district of the first class *A* shall issue mercantile licenses and levy and collect an annual mercantile license tax in the manner and at the rates hereinafter set forth. Such tax shall be in addition to any other tax every such school district is empowered to levy and collect under any existing law. The license fees, taxes and penalties collected under the provisions of this act, shall be used by every such school district for general public school purposes.

(b) On and after the first day of January, one thousand nine hundred fifty, in any school district of the first class *A* which, after such date, has no authority to levy or does not levy the tax imposed by this act, the collector is authorized to and shall continue to collect delinquent taxes owing such school district under any levy for any prior year, under the provisions of this act, until such taxes are either collected or until the collector is exonerated with respect to such taxes. The delinquent taxes so collected shall be used by every such school district for general public school purposes.

Section 4. Sections 3 and 4 of the act are amended to read:

Section 3. License Fees.—Beginning in the year one thousand nine hundred forty-eight, and annually thereafter, every person desiring to continue to engage in, or hereafter to begin to engage in, the business of wholesale or retail vendor of, or dealer in, goods, wares and merchandise, broker, conducting a restaurant or other place where food, drink or refreshments are sold, or place of amusement in a school district of the first class *A*, shall on or before the first day of January of each license year, or prior to commencing business in any such license year, procure a mercantile license for his place of business, or if more than one, for each of his places of business in the school district from the receiver of school taxes or school treasurer, who shall issue the same upon the payment of a fee of two dollars (\$2) for a wholesale license or a retail license, and four dollars (\$4) for a wholesale and retail license for his place of business, or if more than one, for each of his places of business in the school district for each license year. Such license shall be conspicuously posted at the place of business or each of the places of business of every such person at all times.

Section 4. Imposition and Rate of Tax.—Every person engaging in any of the following occupations or businesses in any school district of the first class *A* shall pay an annual mercantile license tax at the rate set forth:

(1) Wholesale vendors or dealers in goods, wares and merchandise and brokers, at the rate of one-half (1/2) mill on each dollar of the volume of the annual gross business transacted by him;

(2) Retail vendors, or dealers in goods, wares and merchandise; all persons engaged in conducting restaurants or other places where food,

drink or refreshments are sold, and all persons conducting places of amusement at the rate of one (1) mill on each dollar of the volume of the annual gross business transacted by him;

(3) Wholesale and retail vendors or dealers in goods, wares and merchandise, at the rate of one-half (1/2) mill on each dollar of the volume of the annual gross wholesale business transacted by him, and one (1) mill on each dollar of the volume of the annual gross retail business transacted by him;

(4) The tax imposed by this section shall not apply to the dollar volume of annual business covering the resale of goods, wares or merchandise taken by a 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.

Section 5. Subsection (b) of section 9 of the act, amended April 12, 1956 (1955 P.L.1470, No.483) and May 10, 1956 (1955 P.L.1559, No.519), is amended to read:

Section 9. Suit on Collection; Penalty.—

* * *

(b) If for any reason the tax is not paid when due in each year, interest at the rate of six per centum (6%) per annum *or 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*, on the amount of said tax, and an additional penalty of one-half of one per centum (1/2%) of the amount of the unpaid tax for each month, or fraction thereof, during which the tax remains unpaid, shall be added and collected: Provided, That the maximum penalty which shall be imposed on a tax not paid when due shall be seven (7%) percent. *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 shall be liable for, and in addition to the tax assessed against such person, the costs of such collection, and the interest and penalties herein imposed shall be collected.

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Section 6. Section 13 of the act is repealed.

Section 7. This act shall take effect immediately.

APPROVED—The 14th day of May, A. D. 1982.

DICK THORNBURGH