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PART 1
EARNED INCOME TAX

§ 24-101. Definitions. [Ord. 1116, 6/15/2010]

All terms defined in the Local Tax Enabling Act shall have the meanings set forth therein. The following terms shall have the meanings set forth herein:

COLLECTOR — The person or entity appointed as tax officer pursuant to the Local Tax Enabling Act to collect the tax.

EFFECTIVE DATE — January 1, 2011.

ENACTMENT — This ordinance; this Part 1 of Chapter 24 of the Code of Ordinances of the Borough of Mechanicsburg.

GOVERNING BODY — The Borough Council of the Borough of Mechanicsburg.

LOCAL TAX ENABLING ACT — The Local Tax Enabling Act, as set forth in 53 P.S. § 6901 et seq. while such numbering and provisions remain in effect under Act 32 of 2008, and as set forth in 53 P.S. § 6924.101 et seq. when such numbering and provisions become effective under Act 32, and as amended in the future.

TAX — The tax imposed by this enactment.

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.

TAX YEAR — The period from January 1 to December 31.

TAXING AUTHORITY — The Borough of Mechanicsburg.

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.

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.

§ 24-102. Imposition of Tax. [Ord. 1116, 6/15/2010]

1. General Purpose Resident Tax. The taxing authority hereby imposes a tax for general revenue purposes at the rate of 1.0% on earned income and net profits of individual residents of the taxing authority.

2. General Purpose Municipal Nonresident Tax. The taxing authority also imposes a tax for general revenue purposes at the rate of 1.0% 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.
3. On-going Tax. The tax shall continue at the above rates during the current tax year and each tax year thereafter, without annual reenactment, until this enactment is repealed or the rate is changed.
4. 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 1.7%.
5. Municipal Tax Rate Applicable to Nonresidents. Currently, the total rate applicable to nonresidents working within the taxing authority based on the municipal nonresident tax rate is 1.0%.
6. 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.
7. 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.

§ 24-103. No Exemption from Tax. [Ord. 1116, 6/15/2010]

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.

§ 24-104. Individual Tax Returns and Payments. [Ord. 1116, 6/15/2010]

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.

§ 24-105. Employer Withholding, Remittance and Tax Returns. [Ord. 1116, 6/15/2010]

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

§ 24-106. Tax Collector. [Ord. 1116, 6/15/2010]

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

§ 24-107. Interest, Penalties, Costs and Fines. [Ord. 1116, 6/15/2010]

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 the Local Tax Enabling Act.

§ 24-108. Severability. [Ord. 1116, 6/15/2010]

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.

§ 24-109. Purpose; Amendment and Restatement; Repeal. [Ord. 1116, 6/15/2010]

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 imposing a tax on earned income or net profits of individuals is amended and restated in its entirety to read as stated in this enactment. Any other 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 by adoption of this enactment. If any part of this enactment is declared invalid, the similar part of any prior enactment levying a similar tax shall remain in effect and shall not be affected 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 amend and restate on the effective date any enactment levying a tax on earned income or net profits in force immediately prior to the effective date.

**PART 2
(RESERVED)**

§ 24-201. (Reserved)

PART 3
PER CAPITA TAX

A. General Regulations.

§ 24-301. Imposition of Tax. [Ord. 822, 12/19/1972, § 1; as amended by Ord. 1143, 12/16/2014]

An annual per capita tax of \$10 per annum be and the same is hereby levied and assessed upon each resident and inhabitant of the Borough of Mechanicsburg, County of Cumberland and Commonwealth of Pennsylvania, 18 years of age and over, which tax shall be in addition to all other taxes levied and assessed by the Borough Council of Mechanicsburg, Cumberland County, Pennsylvania pursuant to any other laws of the Commonwealth of Pennsylvania.

§ 24-302. Collection by Tax Collector. [Ord. 822, 12/19/1972, § 2]

Said tax shall be collected by the duly elected or appointed Tax Collector of the Borough of Mechanicsburg, Pennsylvania, in the same manner and at the same time or times as other Borough taxes are collected.

§ 24-303. Tax Collector's Bond. [Ord. 822, 12/19/1972, § 3]

The Tax Collector shall give bond secured and conditioned for the collection and payment of such taxes as provided by law for other Borough taxes.

§ 24-304. Entry of Tax in Duplicate and Issuance of Duplicate Constitutes Warranty to Collect. [Ord. 822, 12/19/1972, § 4]

The entry of said per capita tax in the tax duplicate and issuance of said duplicate to the Tax Collector shall constitute his warrant for the collection of said per capita tax hereby levied and assessed.

§ 24-305. Expenses of Collection/Compensation of Collector. [Ord. 822, 12/19/1972, § 5]

The expenses of collection and compensation of the Tax Collector shall be paid and allowed as provided by law, which compensation shall be the same as fixed from time to time by the Borough Council of Mechanicsburg, Cumberland County, Pennsylvania, for the collection of other Borough taxes.

§ 24-306. Notice to Taxpayers. [Ord. 822, 12/19/1972, § 6]

The Tax Collector shall give notice to the taxpayers at the same time and in the same manner as provided by law.

§ 24-307. Addition of Names to Duplicate. [Ord. 822, 12/19/1972, § 7]

In case the Tax Collector shall at any time find within the Borough of Mechanicsburg, Pennsylvania, any resident and inhabitant 18 years of age and over whose name does not appear upon the tax duplicate, he shall report the name of such person forthwith to the assessor, who shall thereupon certify same unto the Borough Council of Mechanicsburg, Cumberland County, Pennsylvania, which shall promptly certify the same to the Tax Collector reporting said name, whereupon the Tax Collector shall add the name and the assessment to this per capita tax against such person to the duplicate of the Borough of Mechanicsburg, County of Cumberland and State of Pennsylvania, and proceed to collect same.

§ 24-308. Collection by Distress and Sale of Personal Property. [Ord. 822, 12/19/1972, § 8]

The Tax Collector shall be and is hereby empowered with the authority to collect said tax by distress and sell all goods and chattels of the taxpayer, as provided by law.

§ 24-309. Collection by Wage Attachment. [Ord. 822, 12/19/1972, § 9; as amended by Ord. 925, 4/19/1983]

There is hereby conferred upon the Tax Collector the power and authority to demand, receive and collect from all corporations, political subdivisions, associations, companies, firms or individuals, employing persons owing per capita taxes, or if in possession of unpaid commissions or earnings belonging to any person owing per capita taxes, upon the presentation of written notice and demand containing the name of the taxable and the amount of tax due. Upon the presentation of such written notice and demand, it shall be the duty of such corporation, political subdivision, association, company, firm or individual to deduct from the wages, commissions or earnings of such individual employees then owing or that shall within 60 days thereafter become due, or from any unpaid commissions or earnings of any taxable in its or his possession, or that shall within 60 days thereafter come into its or his possession, a sum sufficient to pay the respective amount of the per capita taxes and costs shown upon the written notice or demand and to pay the same to the Tax Collector of the Borough of Mechanicsburg, Cumberland County, Pennsylvania, within 60 days after such notice shall have been given. The employer shall be entitled to deduct not more than 2% for his expenses for such moneys paid over to the Tax Collector. Upon the failure of such employer to make such deduction when properly notified as herein provided, such employer shall forfeit and pay the amount of such tax for each such taxable whose taxes are not withheld and paid over to the Tax Collector as herein provided, which amount may be recovered by an action of assumpsit in a suit to be instituted by the Tax Collector on behalf of the Borough of Mechanicsburg.

§ 24-310. Tax Collector's Accounts and Records. [Ord. 822, 12/19/1972, § 10]

The Tax Collector shall keep a correct account of all per capita taxes collected by authority of this Part 3. He shall mark the same paid on each duplicate at the name of each taxable, and the date on which payment was made. The Tax Collector shall remit said taxes to the Borough Council of Mechanicsburg, Cumberland County,

Pennsylvania, by a separate statement at the same time as other taxes are remitted to the Borough Council of Mechanicsburg, Cumberland County, Pennsylvania.

§ 24-311. Discounts and Penalties. [Ord. 822, 12/19/1972, § 11; as amended by Ord. 925, 4/19/1983]

All taxpayers subject to the payment of the per capita taxes herein levied and assessed shall be entitled to a discount of 2% of the amount of such tax upon making payment of the whole amount thereof within two months after the date of the tax notice. All taxpayers who fail to make payment of any such taxes charged against them for a period of four months after the date of the tax notice shall be charged a penalty of 5%, which penalty shall be added to the taxes by the Tax Collector and be collected by him.

§ 24-312. Authority of Tax Collector. [Ord. 822, 12/19/1972, § 12]

It is the intent of this Part 3 and there is hereby conferred upon the Tax Collector all the powers, together with all the duties and obligations, to the same extent and as fully provided by law.

§ 24-313. Authority of Enactment. [Ord. 822, 12/19/1972, § 15; as amended by Ord. 925, 4/19/1983]

This Part 3 is enacted under the authority of the Local Tax Enabling Act, Act 511 of 1965, December 31, P.L. 1257, as amended.

§ 24-314. Severability. [Ord. 822, 12/19/1972, § 14]

If any sentence, clause or section or part of this Part 3 is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses or sections or parts of this Part. It is hereby declared as the intent of the Borough of Mechanicsburg that this Part would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

B. Exoneration Policy.

§ 24-321. Exoneration Policy. [Ord. 975, 11/19/1991, § 1]

The Borough Council of the Borough of Mechanicsburg will not exonerate any taxpayer from paying the per capita tax levied and assessed by the Borough of Mechanicsburg except for the following reasons:

- A. The taxpayer was deceased prior to the beginning of the tax year.
- B. The taxpayer did not reside within the Borough of Mechanicsburg at any time during the tax year.

- C. The taxpayer became a resident of the Borough within the tax year and had paid per capita tax to a borough or township for the same tax year prior to becoming a resident of the Borough of Mechanicsburg.
- D. The taxpayer was under the age of 18 years during the entire tax year.
- E. The taxpayer was double-assessed during the tax year.

§ 24-322. Effective Date. [Ord. 975, 11/19/1991, § 2]

This Part shall become effective January 1, 1992.

PART 4
REALTY TRANSFER TAX

§ 24-401. Short Title. [Ord. 950, 3/17/1987, § 1]

This Part 4 shall be known as the "Realty Transfer Tax of Mechanicsburg Borough."

§ 24-402. Authority. [Ord. 950, 3/17/1987, § 2]

This realty transfer tax is levied under authority of Article XI-D, entitled "Local Real Estate Transfer Tax," of the Pennsylvania Real Estate Transfer Tax Act, which is a new Article added by Act 77-1986 (Act of July 2, 1986, P.L. _____, No. 77) to the Pennsylvania Real Estate Transfer Tax Act, Act 14-1981 (Act of May 5, 1981, P.L. 36), as amended. The Pennsylvania Real Estate Transfer Tax Act is codified at 72 P.S. § 8101-C et seq., and Article XI-D is codified at 72 P.S. § 8101-D et seq. A tax imposed under the said article is to be administered, collected, and enforced under the Act of December 31, 1965 (P.L. 1257, No. 511), known as "The Local Tax Enabling Act." The tax imposed hereunder is imposed for general revenue purposes.

§ 24-403. Definitions. [Ord. 950, 3/17/1987, § 3]

The following words, when used in this Part 4, shall have the meanings ascribed to them in this section:

ASSOCIATION — A partnership, limited partnership or any other form of unincorporated enterprise owned or conducted by two or more persons other than a private trust or decedant's estate.

CORPORATION — A corporation, joint-stock association, business trust or banking institution which is organized under the laws of this commonwealth, the United States, or any other state, territory, or foreign country or dependency.

DOCUMENT — Any deed, instrument, or writing which conveys, transfers, demises, vests, confirms or evidences any transfer or demise of title to real estate, but does not include wills, mortgages, deeds of trust or other instruments of like character given as security for a debt and deeds of release thereof to the debtor, land contracts whereby the legal title does not pass to the grantee until the total consideration specified in the contract has been paid or any cancellation thereof unless the consideration is payable over a period of time exceeding 30 years, or instruments which solely grant, vest or confirm a public utility easement. "Document" shall also include a declaration of acquisition required to be presented for recording under § 24-408 of this Part.

FAMILY FARM CORPORATION — A corporation of which at least 75% of its assets are devoted to the business of agriculture and at least 75% of each class of stock of the corporation is continuously owned by members of the same family. The business of agriculture shall not be deemed to include:

- A. Recreational activities, such as but not limited to hunting, fishing, camping, skiing, show competition or racing;
- B. The raising, breeding or training of game animals or game birds, fish, cats, dogs or pets or animals intended for use in sporting or recreational activities;
- C. Fur farming;
- D. Stockyard and slaughterhouse operations; or
- E. Manufacturing or processing operations of any kind.

MEMBERS OF THE SAME FAMILY — Any individual, such individual's brothers and sisters, the brothers and sisters of such individual's parents and grandparents, the ancestors and lineal descendants of any of the foregoing, a spouse of any of the foregoing, and the estate of any of the foregoing. Individuals related by the half blood or legal adoption shall be treated as if they were related by the whole blood.

MUNICIPALITY — The Borough of Mechanicsburg, situate in Cumberland County, Pennsylvania.

PERSON — Every natural person, association, or corporation. Whenever used in any clause prescribing and imposing a fine or imprisonment, or both, the term "person," as applied to associations, shall include the responsible members or general partners thereof, and as applied to corporations, the officers thereof.

REAL ESTATE —

- A. Any lands, tenements or hereditaments within this municipality, including, without limitation, buildings, structures, fixtures, mines, minerals, oil, gas, quarries, spaces with or without upper or lower boundaries, trees, and other improvements, immovables or interests which, by custom, usage or law, pass with a conveyance of land, but excluding permanently attached machinery and equipment in an industrial plant.
- B. A condominium unit.
- C. A tenant-stockholder's interest in a cooperative housing corporation, trust or association under a proprietary lease or occupancy agreement.

REAL ESTATE COMPANY — A corporation or association which is primarily engaged in the business of holding, selling or leasing real estate, 90% or more of the ownership interest in which is held by 35 or fewer persons and which:

- A. Derives 60% or more of its annual gross receipts from the ownership or disposition of real estate; or

- B. Holds real estate, the value of which comprises 90% or more of the value of its entire tangible asset holdings, exclusive of tangible assets which are freely transferable and actively traded on an established market.

TITLE TO REAL ESTATE —

- A. Any interest in real estate which endures for a period of time, the termination of which is not fixed or ascertained by a specific number of years, including, without limitation, an estate in fee simple, life estate, or perpetual leasehold; or
- B. Any interest in real estate enduring for a fixed period of years but which, either by reason of the length of the term or the grant of a right to extend the term by renewal or otherwise, consists of a group of rights approximating those of an estate in fee simple, life estate or perpetual leasehold, including, without limitation, a leasehold interest or possessory interest under a lease or occupancy agreement for a term of 30 years or more or a leasehold interest or possessory interest in real estate in which the lessee has equity.

TRANSACTION — The making, executing, delivering, accepting, or presenting for recording of a document.

VALUE —

- A. In the case of any bona fide sale of real estate at arm's length for actual monetary worth, the amount of the actual consideration therefor, paid or to be paid, including liens or other encumbrances thereon existing before the transfer and not removed thereby, whether or not the underlying indebtedness is assumed, and ground rents, or a commensurate part thereof, where such liens or other encumbrances and ground rents also encumber or are charged against other real estate; provided that, where such documents shall set forth a nominal consideration, the "value" thereof shall be determined from the price set forth in or actual consideration for the contract of sale;
- B. In the case of a gift, sale by execution upon a judgment or upon the foreclosure of a mortgage by a judicial officer, transactions without consideration or for consideration less than the actual monetary worth of the real estate, a taxable lease, an occupancy agreement, a leasehold or possessory interest, any exchange of properties, or the real estate of an acquired company, the actual monetary worth of the real estate determined by adjusting the assessed value of the real estate for local real estate tax purposes for the common level ratio of assessed values to market values of the taxing district as established by the State Tax Equalization Board, or a commensurate part of the assessment where the assessment includes other real estate;

- C. In the case of an easement or other interest in real estate, the value of which is not determinable under Subsection A or B, the actual monetary worth of such interest; or
- D. The actual consideration for or actual monetary worth of any executory agreement for the construction of buildings, structures or other permanent improvements to real estate between the grantor and other persons existing before the transfer and not removed thereby or between the grantor, the agent or principal of the grantor or a related corporation, association or partnership and the grantee existing before or effective with the transfer.

§ 24-404. Imposition of Tax; Interest. [Ord. 950, 3/17/1987, § 4]

1. Every person who makes, executes, delivers, accepts or presents for recording any document, or in whose behalf any document is made, executed, delivered, accepted or presented for recording, shall be subject to pay, for and in respect to the transaction or any part thereof, a tax at the rate of 1% of the value of the real estate represented by such document, which tax shall be payable at the earlier of the time the document is presented for recording or when becoming an acquired company.
2. The payment of the tax imposed herein shall be evidenced by the affixing of an official stamp or writing by the Collector, wherein the date of the payment of the tax and the amount of the tax shall be set forth.
3. If the real estate is located partially within and partially outside the municipality, the tax shall be calculated on the value of the portion within the municipality.
4. The tax imposed hereunder shall be due and payable to the Collector, as a joint and several liability, by every person who makes, executes, delivers, accepts or presents for recording any document, or in whose behalf any document is made, executed, delivered, accepted or presented for recording. In the case of an acquired company, the company shall also have liability for payment of the tax. All such persons shall also be liable for any penalties imposed under this Part.
5. It is the intent of this Part that the entire burden of the tax imposed herein on a person or transfer shall not exceed the limitations prescribed in the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, 53 P.S. §§ 6901 et seq., so that if any other political subdivision shall have imposed or hereafter shall impose such tax on the same person or transfer, then the tax levied by the municipality under the authority of the Act shall, during the time such duplication of the tax exists, except as hereinafter otherwise provided, be 1/2 of the rate, and such 1/2 rate shall become effective without any action on the part of the municipality; provided, however, that the municipality and any other political subdivision which imposes such tax on the same person or transfer may agree that, instead of limiting their

respective rates to 1/2 of the rate herein provided, they will impose respectively different rates, the total of which shall not exceed the maximum rate permitted under the Local Tax Enabling Act.

6. If for any reason the tax is not paid when due, interest at the legal rate in effect at the time the tax is due shall be added and collected.

§ 24-405. Exempt Parties. [Ord. 950, 3/17/1987, § 5]

The United States, the commonwealth, or any of their instrumentalities, agencies or political subdivisions shall be exempt from payment of the tax imposed by this Part. The exemption of such governmental bodies shall not, however, relieve any other party to a transaction from liability for the tax.

§ 24-406. Excluded Transactions. [Ord. 950, 3/17/1987, § 6]

The tax imposed by § 24-404 shall not be imposed upon:

- A. A transfer to the commonwealth, or to any of its instrumentalities, agencies or political subdivisions, by gift, dedication or deed condemnation proceedings, or a reconveyance by the condemning body of the property condemned to the owner of record at the time of condemnation, which reconveyance may include property line adjustments, provided said reconveyance is made within one year from the date of condemnation.
- B. A document which the municipality is prohibited from taxing under the Constitution or statutes of the United States.
- C. A conveyance to a municipality, township, school district or county pursuant to acquisition by the municipality, township, school district or county of a tax-delinquent property at Sheriff's sale or Tax Claim Bureau sale.
- D. A transfer, for no or nominal actual consideration, which corrects or confirms a transfer previously recorded but which does not extend or limit existing record legal title or interest.
- E. A transfer or division in kind, for no or nominal actual consideration, of property passed by testate or intestate succession and held by co-tenants; however, if any of the parties takes shares greater in value than their undivided interest, tax is due on the excess.
- F. A transfer between husband and wife, between persons who were previously husband and wife who have since been divorced, provided the property or interest therein subject to such transfer was acquired by the husband and wife or husband or wife prior to the granting of the final decree in divorce, between parent and child or the spouse of such child, between brother or sister or spouse of a brother or sister, and between a grandparent and grandchild or the spouse of such grandchild, except that a subsequent transfer by the grantee within one year shall be subject to tax as if the grantor were making such transfer.

- G. A transfer, for no or nominal actual consideration, of property passing by testate or intestate succession from a personal representative of a decedent to the decedent's devisee or heir.
- H. A transfer, for no or nominal actual consideration, to a trustee of an ordinary trust where the transfer of the same property would be exempt if the transfer was made directly from the grantor to all of the possible beneficiaries, whether or not such beneficiaries are contingent or specifically named. No such exemption shall be granted unless the Recorder of Deeds is presented with a copy of the trust instrument that clearly identifies the grantor and all possible beneficiaries.
- I. A transfer, for no or nominal actual consideration, from a trustee to a beneficiary of an ordinary trust.
- J. A transfer, for no or nominal consideration, from trustee to successor trustee.
- K. A transfer:
- (1) For no or nominal actual consideration, between principal and agent or straw party; or
 - (2) From or to an agent or straw party where, if the agent or straw party were his principal, no tax would be imposed under this Part. Where the document by which title is acquired by a grantee or statement of value fails to set forth that the property was acquired by the grantee from, or for the benefit of, his principal, there is a rebuttable presumption that the property is the property of the grantee in his individual capacity if the grantee claims an exemption from taxation under this subsection.
- L. A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation, except where the municipality reasonably determines that the primary intent for such merger, consolidation or division is avoidance of the tax imposed by this Part.
- M. A transfer from a corporation or association of real estate held of record in the name of the corporation or association where the grantee owns stock of the corporation or an interest in the association in the same proportion as his interest in or ownership of the real estate being conveyed and where the stock of the corporation or the interest in the association has been held by the grantee for more than two years.
- N. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it, but only if the grantee shall directly use such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control,

warehousing or agriculture, and the agency or authority has the full ownership interest in the real estate transferred.

- O. A transfer by a mortgagor to the holder of a bona fide mortgage in default in lieu of a foreclosure or a transfer pursuant to a judicial sale in which the successful bidder is the bona fide holder of a mortgage, unless the holder assigns the bid to another person.
- P. Any transfer between religious organizations or other bodies or persons holding title for a religious organization if such real estate is not being or has not been used by such transferor for commercial purposes.
- Q. A transfer to a conservancy which possesses a tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954 [68A Stat. 3, 26 U.S.C. § 501(c)(3)] and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open space opportunity.
- R. A transfer of real estate devoted to the business of agriculture to a family farm corporation by a member of the same family which directly owns at least 75% of each class of the stock thereof.
- S. A transfer between members of the same family of an ownership interest in a real estate company or family farm corporation.
- T. A transaction wherein the tax due is \$1.
- U. Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof. In order to exercise any exclusion provided in this section, the true, full and complete value of the transfer shall be shown on the statement of value. A copy of the Pennsylvania realty transfer tax statement of value may be submitted for this purpose. For leases of coal, oil, natural gas or minerals, the statement of value may be limited to an explanation of the reason such document is not subject to tax under this Part.

§ 24-407. Documents Relating to Associations or Corporations and Members, Partners, Stockholders or Shareholders Thereof. [Ord. 950, 3/17/1987, § 7]

Except as otherwise provided in § 24-406, documents which make, confirm or evidence any transfer or demise of title to real estate between associations or corporations and the members, partners, shareholders or stockholders thereof are full taxable. For the purpose of this Part, corporations and associations are entities separate from their members, partners, stockholders or shareholders.

§ 24-408. Acquired Company. [Ord. 950, 3/17/1987, § 8]

- 1. A real estate company is an acquired company upon a change in the ownership interest in the company, however effected, if the change does not

affect the continuity of the company and, of itself or together with prior changes, has the effect of transferring, directly or indirectly, 90% or more of the total ownership interest in the company within a period of three years.

2. With respect to real estate acquired after February 16, 1986, a family farm corporation is an acquired company when, because of voluntary or involuntary dissolution, it ceases to be a family farm corporation or when, because of issuance or transfer of stock or because of acquisition or transfer of assets that are devoted to the business of agriculture, it fails to meet the minimum requirements of a family farm corporation under this Part.
3. Within 30 days after becoming an acquired company, the company shall present a declaration of acquisition with the Recorder of each county in which it holds real estate for the affixation of documentary stamps and recording. Such declaration shall set forth the value of real estate holdings of the acquired company in such county. A copy of the Pennsylvania realty transfer tax declaration of acquisition may be submitted for this purpose.

§ 24-409. Credits Against Tax. [Ord. 950, 3/17/1987, § 9]

1. Where there is a transfer of a residential property by a licensed real estate broker, which property was transferred to him or her within the preceding year as consideration for the purchase of other residential property, a credit for the amount of the tax paid at the time of the transfer to him or her shall be given to him or her toward the amount of the tax due upon the transfer.
2. Where there is a transfer by a builder of residential property which was transferred to the builder within the preceding year as consideration for the purchase of new, previously unoccupied residential property, a credit for the amount of the tax paid at the time of the transfer to the builder shall be given to the builder toward the amount of the tax due upon the transfer.
3. Where there is a transfer of real estate which is demised by the grantor, a credit for the amount of the tax paid at the time of the demise shall be given the grantor toward the tax due upon the transfer.
4. Where there is a conveyance by deed of real estate which was previously sold under land contract by the grantor, a credit for the amount of tax paid at the time of the sale shall be given the grantor toward the tax due upon the deed.
5. If the tax due upon the transfer is greater than the credit given under this section, the difference shall be paid. If the credit allowed is greater than the amount of tax due, no refund or carryover credit shall be allowed.

§ 24-410. Extension of Lease. [Ord. 950, 3/17/1987, § 10]

In determining the term of a lease, it shall be presumed that a right or option to renew or extend a lease will be exercised if the rental charge to the lessee is fixed or if a method for calculating the rental charge is established.

§ 24-411. Proceeds of Judicial Sale. [Ord. 950, 3/17/1987, § 11]

The tax imposed shall be fully paid and have priority out of the proceeds of any judicial sale of real estate before any other obligation, claim, lien, judgment, estate or costs of the sale and of the writ upon which the sale is made, and the Sheriff or other officer conducting said sale shall pay the tax herein imposed out of the first moneys paid to him or her in connection therewith. If the proceeds of the sale are insufficient to pay the entire tax herein imposed, the purchaser shall be liable for the remaining tax.

§ 24-412. Duties of Recorder of Deeds. [Ord. 950, 3/17/1987, § 12]

1. As provided in 16 P.S. § 11011-6, as amended by the Act of July 7, 1983, P.L. 40, the Recorder of Deeds shall be the collection agent for the local realty transfer tax, including any amount payable to the municipality based on a redetermination of the amount of tax due by the Commonwealth of Pennsylvania of the Pennsylvania realty transfer tax, without compensation from the municipality.
2. In order to ascertain the amount of taxes due when the property is located in more than one political subdivision, the Recorder shall not accept for recording such a deed unless it is accompanied by a statement of value showing what taxes are due each municipality.
3. On or before the tenth of each month, the Recorder shall pay over to the municipality all local realty transfer taxes collected, less 2% for use of the county, together with a report containing the information as is required by the Commonwealth of Pennsylvania in reporting collections of the Pennsylvania realty transfer tax. The 2% commission shall be paid to the county.
4. Upon a redetermination of the amount of realty transfer tax due by the Commonwealth of Pennsylvania, the recorder shall rerecord the deed or record the additional realty transfer tax form only when both the state and local amounts and a rerecording or recording fee have been tendered.

§ 24-413. Statement of Value. [Ord. 950, 3/17/1987, § 13]

Every document lodged with or presented to the Recorder of Deeds for recording shall set forth therein and as a part of such document the true, full and complete value thereof or shall be accompanied by a statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this Part. A copy of the Pennsylvania realty transfer tax statement of value may be submitted for this purpose. The provisions of this section shall not apply to any excludable real estate transfers which are exempt from taxation based on family relationship. Other documents presented for the affixation of stamps shall be accompanied by a certified copy of the document and a statement of value executed by a responsible person connected with the transaction, showing such connection and setting forth the true, full and

complete value thereof or the reason, if any, why such document is not subject to tax under this Part.

§ 24-414. Unlawful Acts; Penalty. [Ord. 950, 3/17/1987, § 14]

1. It shall be unlawful for any person to:
 - A. Make, execute, deliver, accept, or present for recording or cause to be made, executed, delivered, accepted, or presented for recording any document without the full amount of tax thereof being duly paid;
 - B. Fail to record a declaration of acquisition, as required by this Part;
 - C. Fraudulently affix to any document any forged evidence of payment;
or
 - D. Fail, neglect or refuse to comply with or violate other provisions of this Part or any rules and regulations promulgated by the municipality under this Part, or any rules and regulations of the Pennsylvania Department of Revenue to the extent applicable to the tax levied hereunder.
2. Any person violating any of the provisions of this Part shall be guilty of a summary offense.

§ 24-415. Civil Penalties. [Ord. 950, 3/17/1987, § 15]

1. If any tax owing under the terms of this Part shall not be paid when due, 10% of the amount of the tax shall be added and collected as an initial penalty for nonpayment or underpayment of the tax.
2. In addition, if any tax owing under the terms of this Part shall not be paid when due, a penalty shall accrue on the amount of the unpaid tax at the rate of 1% per month or fractional part of a month, from the due date until the amount of the tax is paid in full.
3. If any part of any underpayment of tax imposed by this Part is due to fraud, there shall be added to the tax an amount equal to 50% of the underpayment.
4. In the case of failure to record a declaration required under this Part on the date prescribed therefor, unless it is shown that such failure is due to reasonable cause, there shall be added to the tax 5% of the amount of such tax if the failure continues, not exceeding 50% in the aggregate, alone or in combination with other penalties.
5. In addition, if the municipality files suit in order to collect the amount of any tax not paid when due under this Part, at the discretion of the court, any

person liable for payment of the tax shall also be liable for reasonable attorneys' fees incurred by the municipality in prosecution of the suit.

§ 24-416. Lien. [Ord. 950, 3/17/1987, § 16]

The tax imposed by this Part shall become a lien upon the lands, tenements, or hereditaments, or any interest therein, lying or being situated, wholly or in part, within the boundaries of the municipality, which lands, tenements, hereditaments, or interest therein are described in or conveyed by or transferred by the deed or other instrument which is the subject of the tax imposed, assessed and levied by this Part, said lien to begin at the time when the tax under this Part is due and payable and continue until discharge by payment or in accordance with the law; and the Solicitor is authorized to file a municipal or tax claim in the Court of Common Pleas of Cumberland County in accordance with the provisions of the Municipal Claims and Liens Act of 1923, 53 P.S. § 7101 et seq., its supplements and amendments, or to proceed in any other appropriate manner.

§ 24-417. Enforcement. [Ord. 950, 3/17/1987, § 17]

All taxes imposed by this Part, together with interest and penalties prescribed herein, shall be recoverable as other debts of like character are recovered, including by suit in assumpsit.

§ 24-418. Regulations. [Ord. 950, 3/17/1987, § 18]

The municipality may promulgate and enforce reasonable rules and regulations for the interpretation, collection, and enforcement of the tax.

§ 24-419. Interpretation; Effect. [Ord. 950, 3/17/1987, § 19]

1. To the extent that this Part imposes a tax on a real estate transaction which is subject to the Commonwealth of Pennsylvania realty transfer tax imposed by Act 77-1986, and to the extent not inconsistent herewith or with rules or regulations adopted by the municipality, this Part shall be interpreted in the same manner as Act 77-1986 and in accordance with regulations promulgated thereunder.
2. The provisions of this Part, so far as they are the same as those of ordinances in force immediately prior to adoption of this Part, are intended as a continuation of such ordinances and not as new enactments.
3. This Part is intended to supplement the realty transfer tax in effect prior to adoption of this Part by imposing a tax on real estate transactions not covered by prior ordinances and not taxable under Act 77-1986. This Part shall impose a tax on all transactions taxable under ordinances levying a realty transfer tax in force immediately prior to adoption of this Part and also on all transactions which the municipality is permitted to tax under Act 77-1986 to the fullest extent permissible.

4. To the extent the provisions of this Part tax real estate transactions taxable under ordinances levying a realty transfer tax in force immediately prior to adoption of this Part, this Part shall supersede said prior ordinances.
5. In the event this Part is declared invalid, the prior ordinance or ordinances of the municipality levying a realty transfer tax shall remain in full force and effect and shall not be affected in any way by adoption of this Part.
6. The provisions of this Part 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 ordinances in force prior to adoption of this Part.

§ 24-420. Severability. [Ord. 950, 3/17/1987, § 20]

Should any section, subsection, sentence, clause or phrase of this Part be declared invalid by a court of competent jurisdiction, such decision shall not affect the validity of the Part in its entirety or of any part thereof other than that declared to be invalid.

§ 24-421. Effective Date. [Ord. 950, 3/17/1987, § 21]

This Part shall become effective immediately and shall continue in full force and effect hereafter without reenactment until amended or repealed.

PART 5
LOCAL SERVICES TAX

§ 24-501. Short Title. [Ord. 1099, 9/18/2007]

This Part 5 shall be known and may be cited as the "Borough of Mechanicsburg Local Services Tax Ordinance."

§ 24-502. Definitions. [Ord. 1099, 9/18/2007]

The following words and phrases, when used in this Part, shall have the meanings ascribed to them in this section, except where the context or language clearly indicates or requires a different meaning:

BOROUGH OF MECHANICSBURG or BOROUGH — The area within the corporate limits of the Borough of Mechanicsburg.

COLLECTOR — The person, public employee or private agency designated by the Borough of Mechanicsburg to collect and administer the tax herein imposed.

DCED — The Department of Community and Economic Development of the Commonwealth of Pennsylvania.

EARNED INCOME — Compensation, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of December 31, 1965, P.L. 1257, § 13, as amended, 53 P.S. § 6913, as amended.

EMPLOYER — An individual, partnership, association, limited liability corporation, limited liability partnership, corporation, governmental body, agency or other entity employing one or more persons on a salary, wage, commission or other compensation basis, including a self-employed person.

HE, HIS or HIM — Indicates the singular and plural number, as well as male, female and neuter genders.

INDIVIDUAL — Any person, male or female, engaged in any occupation, trade or profession within the corporate limits of the Borough of Mechanicsburg.

NET PROFITS — The net income from the operation of a business, profession, or other activity, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of December 31, 1965, P.L. 1257, § 13, as amended, 53 P.S. § 6913, as amended.

OCCUPATION — Any trade, profession, business or undertaking of any type, kind or character, including services, domestic or other, carried on or performed within the corporate limits of the Borough of Mechanicsburg for

which compensation is charged or received, whether by means of salary, wages, commission or fees for services rendered.

TAX — The local services tax at the rate fixed in § 24-503 of this Part.

TAX YEAR — The period from January 1 until December 31 in any year; a calendar year.

§ 24-503. Levy of Tax. [Ord. 1099, 9/18/2007]

1. For specific revenue purposes, an annual tax is hereby levied and assessed, commencing January 1, 2008, upon the privilege of engaging in an occupation with a primary place of employment within the Borough of Mechanicsburg during the tax year. Each natural person who exercises such privilege for any length of time during any tax year shall pay the tax for that year in the amount of \$52, assessed on a pro-rata basis, in accordance with the provisions of this Part.
2. This tax may be used solely for the following purposes, as the same may be allocated by the Borough Council from time to time:
 - A. Emergency services, which shall include emergency medical services, police services and/or fire services;
 - B. Road construction and/or maintenance;
 - C. Reduction of property taxes; or
 - D. Property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S.A., Chapter 85, Subchapter F (relating to homestead property exclusion).
3. The Borough shall use no less than 25% of the funds derived from the tax for emergency services.
4. This tax is in addition to all other taxes of any kind or nature heretofore levied by the Borough of Mechanicsburg.
5. The tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed.

§ 24-504. Exemptions and Refunds. [Ord. 1099, 9/18/2007]

1. Exemption. Any person whose total earned income and net profits from all sources within the Borough is less than \$12,000 for any calendar year in which the tax is levied is exempt from the payment of the tax for that calendar year. In addition, the following persons are exempt from payment of the tax:

- A. Any person who has served in any war or armed conflict in which the United States was engaged and is honorably discharged or released under honorable circumstances from active service if, as a result of military service, the person is blind, paraplegic or a double or quadruple amputee or has a service-connected disability declared by the United States Veterans' Administration or its successor to be a total 100% disability.
 - B. Any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year. For the purposes of this subsection, "reserve component of the armed forces" shall mean the United States Army Reserve, United States Navy Reserve, United States Marine Corps Reserve, United States Coast Guard Reserve, United States Air Force Reserve, the Pennsylvania Army National Guard or the Pennsylvania Air National Guard.
2. Procedure to Claim Exemption.
 - A. A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with the Borough and with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within the Borough of less than \$12,000 in the calendar year for which the exemption certificate is filed. In the event the Borough utilizes a tax collection officer, it shall provide a copy of the exemption certificate to that officer. The exemption certificate shall have attached to it a copy of all the employee's last pay stubs or W-2 forms from employment within the Borough for the year prior to the fiscal year for which the employee is requesting to be exempted from the tax. Upon receipt of the exemption certificate and until otherwise instructed by the Borough or except as required by Subsection 2B, the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish each new employee with a form at the time of hiring. The exemption certificate form shall be the uniform form provided by the Borough.
 - B. With respect to a person who claimed an exemption for a given calendar year from the tax, upon notification to an employer by the person or by the Borough that the person has received earned income and net profits from all sources within the Borough equal to or in excess of \$12,000 in that calendar year or that the person is otherwise ineligible for the tax exemption for that calendar year, or upon an employer's payment to the person of earned income within the Borough in an amount equal to or in excess of \$12,000 in that calendar year, an employer shall withhold the local services tax from the person under Subsection 2C.

- C. If a person who claimed an exemption for a given calendar year from the tax becomes subject to the tax for the calendar year under Subsection 2B, the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification under Subsection 2B, a lump sum equal to the amount of tax that was not withheld from the person due to the exemption claimed by the person under this subsection, plus the per-payroll amount due for that first payroll period. The amount of tax withheld per payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. In the event the employment of a person subject to withholding of the tax under this subsection is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of tax due, and the Borough may pursue collection under this Part.
- D. Except as provided in Subsection 2B, it is the intent of this subsection that employers shall not be responsible for investigating exception certificates, monitoring tax exemption eligibility or exempting any employee from the local services tax.
3. Refunds. The Borough Manager, in consultation with the Collector and DCED, shall establish procedures for the processing of refund claims for any tax paid by any person who is eligible for exemption, which procedures shall be in accord with provisions of the general municipal law relating to refunds of overpayments and interest on overpayments.¹ Refunds made within 75 days of a refund request or 75 days after the last day the employer is required to remit the tax for the last quarter of the calendar year, whichever is later, shall not be subject to interest. No refunds shall be made for amounts overpaid in a calendar year that do not exceed \$1. The Borough Manager or the Collector shall determine eligibility for exemption and provide refunds to exempt persons.

§ 24-505. Duty of Employers to Collect. [Ord. 1099, 9/18/2007]

1. Each employer within the Borough of Mechanicsburg, as well as those employers situated outside the Borough of Mechanicsburg but who engage in business within the Borough of Mechanicsburg, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within the Borough of Mechanicsburg and making a return and payment thereof to the Collector. Further, each employer is hereby authorized to deduct this tax from each employee in his or her employ, whether said employee is paid by salary, wage or commission and whether or not all such services are performed within the Borough of Mechanicsburg.

¹Note: with respect to refunds, see 53 P.S. § 8425; with respect to interest, see 53 P.S. § 8426.

2. A person subject to the tax shall be assessed by the employer a pro-rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro-rata share of the tax assessed on the person for a payroll period shall be determined by dividing the combined rate of the tax levied for the calendar year by the number of payroll periods established by the employer for the calendar year. For purposes of determining the pro-rata share, an employer shall round down the amount of the tax collected each payroll period to the nearest one-hundredth of a dollar. Collection of the tax shall be made on a payroll-period basis for each payroll period in which the person is engaging in an occupation, except as provided in Subsection 4 of this section. For purposes of this subsection, "combined rate" shall mean the aggregate annual rate of the tax levied by the school district and the Borough.
3. No person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll period.
4. In the case of concurrent employment, an employer shall refrain from withholding the tax if the employee provides a recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of the tax withheld and a statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in principal place of employment within two weeks of its occurrence. The employee's statement shall be provided on the form approved by DCED.
5. The tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. The Borough shall provide a taxpayer a receipt of payment upon request by the taxpayer.
6. No employer shall be held liable for failure to withhold the tax or for the payment of the withheld tax money to the Borough if the failure to withhold taxes arises from incorrect information submitted by the employee as to the employee's place or places of employment, the employee's principal office or where the employee is principally employed. Further, an employer shall not be liable for payment of the local services tax in an amount exceeding the amount withheld by the employer if the employer complies with the provisions of Subsection 2 of § 24-504 of this Part and this section and remits the amount so withheld in accordance with this Part.
7. Employers shall be required to remit the local services taxes 30 days after the end of each quarter of the calendar year.

§ 24-506. Returns. [Ord. 1099, 9/18/2007]

Each employer shall prepare and file a return, showing a computation of the tax, on forms to be supplied to the employer by the Collector. If an employer fails to file the return and pay the tax, whether or not the employer makes collection thereof from

the salary, wages or commissions paid by him or her to an employee, except as provided hereafter in this Part, the employer shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer.

§ 24-507. Dates for Determining Tax Liability and Payment. [Ord. 1099, 9/18/2007]

In each tax year, each employer shall use his or her employment records to determine the number of employees from whom such tax shall be deducted and paid over to the Collector on or before the 30th day following the end of each calendar quarter of each such tax year.

§ 24-508. Self-Employed Individuals. [Ord. 1099, 9/18/2007]

Each self-employed individual who performs services of any type or kind or engages in any occupation or profession within a primary place of employment within the Borough of Mechanicsburg shall be required to comply with this Part and pay the pro-rata portion of the tax due to the Collector on or before the 30th day following the end of each quarter.

§ 24-509. Individuals Engaged in More than One Occupation or Employed in More than One political Subdivision. [Ord. 1099, 9/18/2007]

1. The situs of the tax shall be the place of employment on the first day the person becomes subject to the tax during each payroll period. In the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires the person working in more than one political subdivision during a payroll period, the priority of claim to collect the local services tax shall be in the following order:
 - A. First, the political subdivision in which a person maintains his or her principal office or is principally employed.
 - B. Second, the political subdivision in which the person resides and works, if the tax is levied by that political subdivision.
 - C. Third, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home.
2. In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment constitutes prima facie certification of payment to all other political subdivisions.

§ 24-510. Nonresidents Subject to Tax. [Ord. 1099, 9/18/2007]

All employers and self-employed individuals residing or having their places of business outside of the Borough of Mechanicsburg but who perform services of any type or kind or engage in any occupation or profession within the Borough of Mechanicsburg do, by virtue thereof, agree to be bound by and subject themselves to the provisions, penalties and regulations promulgated under this Part with the

same force and effect as though they were residents of the Borough of Mechanicsburg. Further, any individual engaged in an occupation within the Borough of Mechanicsburg and an employee of a nonresidential employer may, for the purpose of this Part, be considered a self-employed person; and in the event his or her tax is not paid, the Borough shall have the option of proceeding against either the employer or employee for the collection of this tax as hereinafter provided.

§ 24-511. Administration of Tax. [Ord. 1099, 9/18/2007]

1. The Collector shall be appointed by resolution of the Borough Council. It shall be the duty of the Collector to accept and receive payments of this tax and to keep a record thereof showing the amount received by him from each employer or self-employed person, together with the date the tax was received.
2. The Collector is hereby charged with the administration and enforcement of this Part and is hereby charged and empowered, subject to Borough Council approval, to prescribe, adopt and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this Part, including provisions for the examination of payroll records of any employer subject to this Part, the examination and correction of any return made in compliance with this Part and any payment alleged or found to be incorrect or as to which overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the Collector shall have the right to appeal to the Court of Common Pleas of Cumberland County as in other cases provided.
3. The Collector is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer or, if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the Collector the means, facilities and opportunity for such examination.

§ 24-512. Suits for Collection. [Ord. 1099, 9/18/2007]

1. In the event that any tax under this Part remains due or unpaid 30 days after the due dates above set forth, the Collector may sue for the recovery of any such tax due or unpaid under this Part, together with interest and penalty.
2. If, for any reason, the tax is not paid when due, interest at the rate of 6% on the amount of such tax shall be calculated, beginning with the due date of the tax, and a penalty of 5% shall be added to the flat rate of such tax for nonpayment thereof. Where suit is brought for the recovery of this tax or other appropriate remedy undertaken, the individual liable therefor shall, in addition, be responsible and liable for the costs of collection.

§ 24-513. Violations and Penalties. [Ord. 1099, 9/18/2007]

Whoever makes any false or untrue statement on any return required by this Part, or whoever refuses inspection of the books, records or accounts in his or her custody and control setting forth the number of employees subject to this tax who are in his or her employment, or whoever fails or refuses to file any return required by this Part shall be guilty of a violation and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$600 and costs of prosecution, and, in default of payment of such fine and costs, to imprisonment for not more than 30 days. The action to enforce the penalty herein prescribed may be instituted against any person in charge of the business of any employer who shall have failed or who refuses to file a return required by this Part.

§ 24-514. Interpretation. [Ord. 1099, 9/18/2007]

1. Nothing contained in this Part shall be construed to empower the Borough of Mechanicsburg to levy and collect the tax hereby imposed on any occupation not within the taxing power of the Borough under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.
2. If the tax hereby imposed under the provisions of this Part shall be held by any court of competent jurisdiction to be in violation of the Constitution of the United States or of the laws of the Commonwealth of Pennsylvania as to any individual, the decision of the court shall not affect or impair the right to impose or collect said tax or the validity of the tax so imposed on other persons or individuals as herein provided.

PART 6
DISCOUNTS AND PENALTIES

§ 24-601. Rate of Discount and Penalty. [Ord. 873, 2/15/1977, § 1]

The following discounts and penalties shall be applicable to the payment of all taxes levied by the Borough of Mechanicsburg which are collected by the elected Tax Collector of the Borough:

- A. A discount of 2% of the amount of the tax shall be allowed for payment of the whole amount within two months of the date of the tax notice.
- B. A penalty of 10% shall be charged against taxpayers who shall fail to pay taxes charged against them within four months of the date of the tax notice.

§ 24-602. Rate of Discount and Penalty Permanent in Nature. [Ord. 873, 2/15/1977, § 2]

The rates established herein shall be applicable to taxes levied by the Borough of Mechanicsburg for calendar year 1977 and to taxes levied, except as provided herein, in subsequent years without annual reenactment of this Part.

PART 7**FIRE SERVICE APPROPRIATIONS TAX²****§ 24-701. Fire Tax; Title. [Ord. 1136, 12/30/2013]**

The Borough Council of the Borough of Mechanicsburg, Cumberland County, Pennsylvania, does herein and hereby ordain that a tax for support of fire companies and volunteer fire companies within the Borough that provide fire-protection services to the Borough of Mechanicsburg, Cumberland County, Pennsylvania, is imposed, levied and assessed on an annual basis in pursuance of the authority granted under 53 P.S. § 46302(a)(6), said section granted by the General Assembly of the Commonwealth of Pennsylvania and as subsequently amended, supplemented, modified or reenacted by the General Assembly of Pennsylvania.

§ 24-702. Title. [Ord. 1136, 12/30/2013]

This Part 7 shall be known as the "Mechanicsburg Borough Fire Service Appropriations Tax Ordinance."

§ 24-703. Statutory Authority. [Ord. 1136, 12/30/2013]

The fire service appropriations tax is levied under authority of the Act of May 17, 2012. P.L. 262, No. 43, Section 158 [53 P.S. § 46302(a)(6)].

§ 24-704. Definitions. [Ord. 1136, 12/30/2013]

The following words, when used in this Part 7, shall have the meanings ascribed to them in this section:

BOROUGH or MUNICIPALITY — The Borough of Mechanicsburg, Cumberland County, Pennsylvania.

FIRE COMPANY — Includes any and all organizations within or without the Borough of Mechanicsburg, professional or volunteer, that are engaged in fire protection or fire-suppression services serving the Borough of Mechanicsburg, Pennsylvania.

PERSON — Every natural person, individual, partnership, corporation, association, unincorporated association, firm, enterprise or other entity whatsoever.

REAL ESTATE —

- A. Any lands, tenements or hereditaments within this municipality, including, without limitation, buildings, structures, fixtures, mines,

²Editor's Note: Former Part 7, Tax Exemptions in Investment Opportunity Areas, adopted 12/21/1982 by Ord. 924, expired five years after its effective date and was subsequently removed from the Code.

minerals, oil, gas, quarries, spaces with or without upper or lower boundaries, and other improvements, immovables or interests which, by custom, usage or law, pass with a conveyance of land, but excluding permanently attached machinery and equipment in an industrial plant.

- B. A condominium unit.
- C. A tenant-stockholder's interest in a cooperative housing corporation, trust or association under a proprietary lease or occupancy agreement.

TAX COLLECTOR — The duly elected, appointed, designated or established Tax Collector of the Borough of Mechanicsburg, Cumberland County, Pennsylvania.

§ 24-705. Purpose of Tax; Levy. [Ord. 1136, 12/30/2013]

1. The purpose of the tax implemented through this Part 7 is for the purchase of fire engines, fire apparatus and fire hose for the use of the Borough, or for assisting any fire company in the Borough in the purchase, renewal or repair of any of its fire engines, fire apparatus or fire hose, for the purposes of making appropriations for fire companies, both within and without the Borough, for paying salaries, benefits or other compensation of fire-suppression employees of the Borough or a fire company serving the Borough and for all other lawful purposes for which such funds may be utilized as provided for by law from time to time.
2. For the purposes set forth above, a tax is hereby levied on all real estate located, either in whole or in part, within the Borough and to include, without limitation or reservation, all real estate as subject to taxation for general Borough purposes as may exist currently or which may be so subject to taxation in the future. The rate of this fire services appropriations tax shall be 0.5 mills on each dollar of assessed valuation or the sum of \$0.05 on each \$100 of assessed valuation. The tax shall be in addition to all other taxes of any kind or nature heretofore levied by the Borough.

§ 24-706. Notice of Tax Liability. [Ord. 1136, 12/30/2013]

The Borough shall give notice of tax liability to all persons who own real estate against which this tax is levied at the same time and in the same manner as notice of tax liability is given with respect to real estate taxation for general Borough purposes. The notice of tax liability shall appear on the same tax bill on which notice of the real estate taxation for general Borough purposes appears.

§ 24-707. Duplication Constitutes Warrant for Collection. [Ord. 1136, 12/30/2013]

The entry of the fire service appropriations tax in the tax duplicate and issuance of said duplicate to the Borough Tax Collector shall constitute the Tax Collector's warrant for the collection of said tax levied and assessed.

§ 24-708. Collection by Borough Tax Collector. [Ord. 1136, 12/30/2013]

The fire service appropriations tax shall be collected by the duly appointed, designated or established Tax Collector of the Borough in the same manner and at the same time or times as the tax levied against real estate for general Borough purposes.

§ 24-709. Tax Collector's Accounts and Records; Remittance of Taxes Collected. [Ord. 1136, 12/30/2013]

The Tax Collector shall keep an accurate account of all fire service appropriations taxes collected by authority of this Part 7 and shall mark the same "paid" on each duplicate and the date on which payment was made. The Tax Collector shall transmit said taxes so collected to the Treasurer of the Borough by separate statement, at the same time as other taxes are remitted or required to be remitted to the Borough. It shall be the duty and responsibility of said Treasurer to ensure that the taxes so collected are applied only for the purposes for which they are levied and collected pursuant to the terms of this Part and in conjunction with an agreement between the Fire Company and the Borough.

§ 24-710. Discount, Penalties and Violations. [Ord. 1136, 12/30/2013]

1. Any person required to pay the fire service appropriations tax shall be entitled to a discount of 2% from the amount of such tax upon making payment of the whole amount due thereof between March 1 and April 30. All such persons who shall fail to make payment of said tax charge by June 30 shall be charged a penalty of 10%, which penalty shall be added to the taxes by the Tax Collector and shall be collected by the Tax Collector.
2. In the event that any tax due under this Part remains due and unpaid 60 days after the penalty date established, the Tax Collector may sue for the recovery of any such tax due or unpaid under this Part, together with penalty and interest. Where suit is brought for recovery of this tax, the person liable therefor shall, in addition to the tax, interest and penalties, be responsible and liable for all costs of collection and prosecution, to include reasonable attorneys' fees.

§ 24-711. Effective Date of Tax; Continuation. [Ord. 1136, 12/30/2013]

The fire service appropriations tax shall be levied in accordance with the terms of this Part for the calendar year 2014 and shall be considered assessed at the same time or times as the tax levied against real estate by the Borough for general Borough purposes. The Borough Council of the Borough of Mechanicsburg shall have the authority to continue said tax for additional periods at such rate in compliance with law pursuant to further ordinance of Borough Council.

