

## No. 1990-23

## AN ACT

## SB 1335

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 powers and duties of treasurer and for interest and penalties.

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

Section 1. Section 5(e) of the act of August 24, 1961 (P.L.1135, No.508), referred to as the First Class A School District Earned Income Tax Act, is amended to read:

Section 5. Powers and Duties of Treasurer.—\* \* \*

(e) Any person aggrieved by any action of the treasurer *concerning an issue related to taxes levied under this act must initially request a treasurer's hearing under regulations promulgated by the treasurer. A person aggrieved by the decision at the treasurer's hearing shall have the right of appeal [as provided by law.] under 2 Pa. C.S. Ch. 7 Subch. B (relating to judicial review of local agency action).*

\* \* \*

Section 2. Section 7 of the act, amended June 10, 1982 (P.L.456, No.134), 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 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] a penalty of [five per centum] one-half of one per centum** of the amount of the unpaid taxes for each month or fraction thereof during which the taxes remain unpaid, shall be added and collected[.]. *If, however, a person or an employer does not make required deductions and remittance of tax money under section 4 of this act, that person shall be subject to, in lieu of the penalty amount under this section and in addition to the interest amount under this section, an additional penalty of five per centum of the amount of the unpaid taxes for each month or fraction thereof during which the taxes remain unpaid, and this amount*

***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 January 1, 1990, or immediately, whichever is later.

APPROVED—The 4th day of April, A. D. 1990.

ROBERT P. CASEY