

**Borough of Honesdale**  
**Wayne County, Pennsylvania**  
**Ordinance No. \_\_\_\_\_**

**EARNED INCOME TAX ORDINANCE**

An Ordinance levying a tax on earned income and net profits; requiring tax returns; requiring employers to withhold and remit tax; and related provisions.

ENACTED, by the Borough of Honesdale under authority of the Local Tax Enabling Act, 53 PS § 6924.101 et. seq., and other applicable law as follows:

**§ 1. Definitions.** 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.

a. Collector.

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

b. Effective Date.

\_\_\_\_\_.

c. Enactment.

This Ordinance.

d. Governing Body.

The Borough Council of Honesdale, Wayne County, Pennsylvania.

e. Local Tax Enabling Act.

The Local Tax Enabling Act, as set forth in 53 PS § 6901 et. seq. while numbering and provisions remain in effect under Act 32 of 2008, and as set forth in 53 PS § 6924.101 et. seq. when such numbering and provisions become effective under Act 32, and as may be 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 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.

i. Tax Year. The period from January 1 to December 31.

k. Tax Authority. The Borough of Honesdale.

**§ 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 (1%) percent on earned income and net profits of individual residents of the Taxing Authority.

b. General Purpose Municipal Non-Resident Tax.

The Taxing Authority also imposes a tax for general revenue purposes at the rate of one (1%) percent 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.

c. 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.

d. Combined Tax Rate Applicable to Residents.

Currently, the total rate applicable to residents of the Taxing Authority, including any tax that may be imposed by a school district and municipality in which the individual resides, is one (1%) percent.

e. Municipal Tax Rate Applicable to Non-Residents.

Currently, the total rate applicable to non-residents working with the Taxing Authority, based on municipal non-resident tax rate is one (1%) percent.

f. 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 final Amendment of this Enactment, to the maximum extent allowed by 1 Pa. C.S.A. § 1937.

g. Applicable Laws, Regulations, Policies and Procedures.

The Tax shall be collected and administered in accordance with: (1) All Applicable Laws and Regulations. (2) Policies and Procedures Adopted by the TCC or by the Collector. This includes regulations, policies and procedures adopted in the future to the maximum extent allowed by 1 Pa. C.S.A. § 1937.

**§ 3. 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.

**§ 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.

**§ 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.

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

**§ 7. Interest, Penalties, Cost and Fines.** Individuals and employers are subject to interest, penalties, cost and fines in accordance with the Local Tax Enabling Act, including cost imposed by the Collector in accordance with the Local Tax Enabling Act.

**§ 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.

**§ 9. Purpose of Amendment.** The primary purpose of this Enactment is to adopt an Earned Income and Net Profits Tax Allowable under the Local Tax Enabling Act as amended and reinstated by Act 32 of 2008.

**§ 10. Adoption.** This Enactment is adopted and Enacted on this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

DRAFT

RESOLUTION No. \_\_\_\_\_

**A RESOLUTION OF THE GOVERNING BOARD OF HONSDALE BOROUGH, WAYNE COUNTY, PENNSYLVANIA, AUTHORIZING AND EMPOWERING ITS LOCAL TAX COLLECTOR, BERKHEIMER, TO IMPOSE AND RETAIN COSTS OF COLLECTION ON DELINQUENT TAXES.**

**WHEREAS, HONSDALE BOROUGH, WAYNE COUNTY**, by Resolution and/or Ordinance, has levied, assessed and provided for the collection of certain local taxes under and pursuant to the authority of the Act No. 511 of the 1965 General Assembly of the Commonwealth of Pennsylvania, enacted December 31, 1965, and effective January 1, 1966, as amended; and

**WHEREAS, HONSDALE BOROUGH, WAYNE COUNTY**, has hired Berkheimer to collect said taxes levied by the **HONSDALE BOROUGH, WAYNE COUNTY**, including taxes that are or may become delinquent; and

**WHEREAS**, pursuant to Act 192 of the 2003-2004 General Assembly of the Commonwealth of Pennsylvania, **HONSDALE BOROUGH, WAYNE COUNTY**, has the right to impose a cost of collection on taxes that become delinquent and/or that remain due and unpaid;

**NOW, THEREFORE, BE IT RESOLVED** that

1. **HONSDALE BOROUGH, WAYNE COUNTY** APPROVES AND ADOPTS the Cost of Collection Schedule attached hereto and made apart of this Resolution to be imposed by BERKHEIMER upon any taxpayer whose taxes are or become delinquent and/or remain due and unpaid.
2. **BERKHEIMER** is authorized to retain said costs of collection set forth in the attached schedule incurred in recovering delinquent taxes and assessed to the delinquent taxpayer as allowed by law.
3. Any resolution or part of this resolution conflicting with the provisions of this resolution be and the same are hereby repealed to the extent of such conflict.

**ENACTED** into a RESOLUTION this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BY: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:  
\_\_\_\_\_

---

SCHEDULE OF COLLECTION COSTS TO BE IMPOSED AND ADDED  
TO DELINQUENT TAX

**TAXPAYER NOTIFICATION AND ADMINISTRATION**

1) Taxpayer late filing, Failure to File, Underpayment or Failure to Pay notice	\$28.00
2) Employer late filing notice or underpayment penalty notice for quarterly or annual earned income tax or local services tax return or reminder notice 10% of the tax, penalty and interest due-minimum charge \$50.00	\$55.00
3) Delinquent account servicing fee, including records imaging or other detailed recordkeeping, office staffing, computer equipment and software, office space, telephone, printing and imaging equipment, supplies used to generate delinquent notices and to establish payment plans. 10% of tax, penalty and interest due-minimum charge \$50.00	\$55.00
4) Establishment of Payment Plan (per planned payment)	\$7.00
5) Fee for check returned from bank or failed electronic payment (NSF, Acct. Closed, etc).	\$35.00
6) Notice of intent to file suit.	\$50.00
7) Certified Taxpayer notice prior to wage attachment	\$28.00
8) Employer wage attachment notice.	\$28.00
9) Paid before Service	\$10.00

**LITIGATION**

1) Prepare Magisterial District Court complaint.	\$80.00
2) Prepare for hearing.	\$105.00
3) Attend Magisterial District Court trial or hearing.	\$160.00
4) Attend Constable Execution sale.	\$375.00
5) Prepare Arbitration complaint/appeal.	\$165.00
6) Attend Trial.	\$375.00
7) Enter default judgment.	\$165.00
8) Issue Sheriff Writ of Execution.	\$250.00
9) Attend Sheriff Sale.	\$275.00
10) Non-litigation legal work.	\$80.00/hr
11) Litigation legal work.	\$95.00/hr
12) All other clerical work not itemized above.	\$70.00/hr

DRAFT

**RESOLUTION**

**A RESOLUTION OF THE GOVERNING BOARD OF HONESDALE BOROUGH, WAYNE COUNTY, PENNSYLVANIA, AUTHORIZING, EMPOWERING AND DIRECTING THE PROPER OFFICERS OF THE GOVERNING BOARD TO APPOINT A LIAISON BETWEEN IT AND BERKHEIMER, THE DULY APPOINTED COLLECTOR OF LOCAL TAXES FOR THE DISTRICT, FOR THE EXPRESS PURPOSE OF SHARING CONFIDENTIAL TAX INFORMATION WITH THE DISTRICT FOR OFFICIAL PURPOSES.**

**WHEREAS**, Act No. 511 of the 1965 General Assembly of the Commonwealth of Pennsylvania (53 P.S. §6901 et seq.), enacted December 31, 1965, and effective January 1, 1966, authorizes certain political subdivisions, including **HONESDALE BOROUGH, WAYNE COUNTY**, to provide for the creation of such bureaus or the appointment and compensation of such officers, clerks, collectors and other assistants and employees as may be deemed necessary for the assessment and collection of taxes imposed under the authority of that Act; and

**WHEREAS**, **HONESDALE BOROUGH, WAYNE COUNTY**, has entered into contractual agreement with **BERKH EIMER** of Bangor, Pennsylvania, whereby and whereunder **HONESDALE BOROUGH** appointed Berkheimer to collect **certain local taxes**; and

**WHEREAS**, said Act 511 specifically mandates that any information gained by the appointed tax officer, his agents or by any other official or agent of the taxing district, as a result of any declarations, returns, investigations, hearings or verifications required or authorized by the taxing municipality's ordinance or resolution, be kept confidential, except for official purposes; and

**WHEREAS**, any person who divulges any information which is confidential under the provisions of any ordinance or resolution, upon conviction may be subject to fines and/ or imprisonment, upon conviction, and dismissal from office or discharge from employment; and

**WHEREAS**, Berkheimer requires passage of a resolution by the governing body of **HONESDALE BOROUGH, WAYNE COUNTY** specifying that said confidential information is needed for official purposes and absolving Berkheimer from any liability in connection with the release of said confidential information;

**NOW, THEREFORE, BE IT RESOLVED** that:

1. **HONESDALE BOROUGH, WAYNE COUNTY** hereby **appoints** \_\_\_\_\_ as **its authorized representative to make requests** upon and receive any and all tax information and records **from Berkheimer**, relative to the collection of taxes for **HONESDALE BOROUGH**, as desired and deemed necessary by **HONESDALE BOROUGH**, to be used for official purposes only; and

2. Berkheimer is hereby directed to provide and / or transmit any and all tax information and records, or any portion thereof, relating to the collection of taxes for the **HONESDALE BOROUGH**, upon request, to \_\_\_\_\_ as the authorized contact representative for it.

3. **HONESDALE BOROUGH, WAYNE COUNTY** hereby saves harmless, indemnifies and / or absolves Berkheimer from and against any and all liability in connection with the release of said confidential information.

**RESOLVED, ENACTED AND ADOPTED** at a meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BY: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

---

DRAFT