

## Chapter 145

### TAXATION

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[HISTORY: Adopted by the Borough Council of the Borough of Mansfield as indicated in article histories. Amendments noted where applicable.]

#### GENERAL REFERENCES

Tax Collector's fees — See Ch. 85, Art. I.

ARTICLE I  
**Earned Income Tax**  
[Adopted 5-7-1975 by Ord. No. 269]

**§ 145-1. Definitions.**

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

**ASSOCIATION** — A partnership, limited partnership or any other unincorporated group of two or more persons.

**BUSINESS** — An enterprise, activity, profession or any other undertaking of an unincorporated nature conducted for profit or ordinarily conducted for profit, whether by a person, partnership, association or any other entity.

**CORPORATION** — A corporation or joint-stock association organized under the laws of the United States, the Commonwealth of Pennsylvania or any other state, territory, foreign country or dependency.

**CURRENT YEAR** — The calendar year for which the tax is levied.

**DOMICILE** — The place where one lives and has his permanent home and to which he has the intention of returning whenever he is absent. Actual residence is not necessarily "domicile," for "domicile" is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. "Domicile" is the place in which a man has voluntarily fixed the habitation of himself and his family, not for a mere special or limited purpose but with the present intention of making a permanent home until some event occurs to induce him to adopt some other permanent home. In the case of businesses or associations, the "domicile" is that place considered as the center of business affairs and the place where its functions are discharged.

**EARNED INCOME** — Salaries, wages, commissions, bonuses, incentive payments, fees, tips and other compensation received by a person or his personal representative for services rendered, whether directly or through an agent and whether in cash or in property, not including, however:

- A. Wages or compensations paid to persons in active military service.
- B. Periodic payments for sickness and disability other than regular wages received during a period of sickness, disability or retirement or payments arising under workers' compensation acts, occupational disease acts and similar legislation, or payments commonly recognized as old-age benefits, retirement pay or pensions paid to persons retired from service after reaching a specific age or after a stated period of employment.
- C. Payments commonly known as "public assistance" or unemployment compensation payments made by a governmental agency.

- D. Payments to reimburse expenses or payments made by employers or labor unions for wage and salary supplemental programs, including but not limited to programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, strike benefits, social security and retirement.

EMPLOYEE — Any natural person domiciled in the Borough of Mansfield or employed therein upon whose earned income, as above defined, a tax is imposed by this article.

EMPLOYER — A person, partnership, association, corporation, institution, governmental body or unit or agency or any other entity employing one or more persons for a salary, wage, commission or other compensation.

INCOME TAX OFFICER or OFFICER — The person, public employee or private agency designated by the Borough of Mansfield to collect and administer the tax on earned income and net profits.

NET PROFITS — The net income from the operation of a business, profession or other activity, except corporations, after provision for all costs and expenses incurred in the conduct thereof, determined either on a cash or accrual basis in accordance with the accounting system used in such business, profession or other activity, but without deduction of taxes based on income.

NONRESIDENT — A person, partnership, association or other entity domiciled outside the Borough of Mansfield.

PERSON or INDIVIDUAL — A natural person.

PRECEDING YEAR — The calendar year before the current year.

RESIDENT — A person, partnership, association or other entity domiciled in the Borough of Mansfield.

SUCCEEDING YEAR — The calendar year following the current year.

TAXPAYER — A person, partnership, association or any other entity required hereunder to file a return of earned income or net profits or to pay a tax thereon.

#### **§ 145-2. Imposition of tax.**

A. A tax for general revenue purposes of 1% is hereby imposed on:

- (1) Earned income received by residents of the Borough of Mansfield.
- (2) Earned income received by nonresidents of the Borough of Mansfield for work done or services performed or rendered in the Borough of Mansfield.
- (3) The net profits earned of businesses, professions or other activities conducted in the Borough of Mansfield by such residents regardless of where the same were earned.
- (4) The net profits earned of businesses, professions or other activities conducted in the Borough of Mansfield by nonresidents.

- B. The tax herein levied and imposed shall continue in force on a calendar-year basis or a taxpayer fiscal-year basis without annual reenactment until such time as the Council of the Borough of Mansfield shall change the rate of tax or by appropriate ordinance repeal such tax.

**§ 145-3. Declaration and payment of tax.**

A. Net profits.

- (1) Every taxpayer making net profits shall, on or before April 15 of each year, make and file with the Officer a declaration of his estimated net profits during the period beginning January 1 and ending December 31 of each year, and pay to the Officer in four equal quarterly installments the tax due thereon as follows: the first installment at the time of filing the declaration and the other installments on or before June 15 of each year, September 15 of each year and January 15 of each succeeding year, respectively.
- (2) Any taxpayer who first anticipates any net profits after April 15 of each year shall make and file the declaration hereinabove required on or before June 15 of each year, September 15 of each year or December 31 of each year, whichever of these dates next follows the date on which the taxpayer first anticipates such net profit, and pay to the Officer in equal installments the tax due thereon on or before the quarterly payment dates which remain after the filing of the declaration.
- (3) Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the Officer, on a form prescribed or approved by the Officer, a final return showing the amount of net profits earned during the period beginning January 1 of each year and ending December 31 of each year, the total amount of tax due thereon and the total amount of tax paid thereon. At the time of filing the final return, the taxpayer shall pay to the Officer the balance of tax due or shall make demand for refund or credit in the case of overpayment. Any taxpayer may, in lieu of paying the fourth quarterly installment of his estimated tax, elect to make and file with the Officer on or before January 31 of the succeeding year the final return as hereinabove required.
- (4) The Officer may provide by regulation for the making and filing of adjusted declarations of estimated net profits and for the payment of the estimated tax in cases where a taxpayer who has filed the declaration hereinabove required anticipates additional net profits not previously declared or finds that he has overestimated his anticipated net profits.
- (5) Every taxpayer who discontinues business prior to December 31 of each year shall, within 30 days after the discontinuance of business, file his final return as hereinabove required and pay the tax due.

B. Earned income.

- (1) Annual earned income tax return. Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the Officer, on a form prescribed or

approved by the Officer, a final return showing the amount of earned income received during the period beginning January 1 of each year and ending December 31 of each year, the total amount of tax due thereon, the amount of tax thereon that has been withheld pursuant to the provisions relating to the collection at source and the balance of tax due. At the time of filing the final return, the taxpayer shall pay the balance of the tax due or shall make demand for refund or credit in the case of overpayment.

- (2) Every taxpayer who is employed for a salary, wage, commission or other compensation and who received an earned income not subject to the provisions of § 145-4 hereof, relating to collection at source, shall make and file with the Officer, on a form prescribed or approved by the Officer, a quarterly return on or before April 30 of the current year, July 31 of the current year, October 31 of the current year and January 31 of the succeeding year, setting forth the aggregate amount of earned income not subject to withholding by him during the three-month periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year and December 31 of the current year, respectively, and subject to the tax, together with such other information as the Officer may require. Every taxpayer making such return shall, at the time of filing thereof, pay to the Officer the amount of tax shown as due thereon. **[Amended 2-3-1987 by Ord. No. 330]**

**§ 145-4. Collection at source.**

- A. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the Borough of Mansfield, who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered, shall, within 15 days after becoming an employer, register with the Officer his name and address and such other information as the Officer may require.
- B. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the Borough of Mansfield, who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation shall deduct at the time of payment thereof the tax imposed by this article on the earned income due to his employee or employees and shall, on or before April 30 of each year, July 31 of each year, October 31 of each year and January 31 of each succeeding year, file a return and pay to the Officer the amount of taxes deducted during the preceding three-month periods ending March 31 of each year, June 30 of each year, September 30 of each year and December 31 of each year, respectively. Such return, unless otherwise agreed upon between the Officer and employer, shall show the name and social security number of each such employee, the earned income of such employee during such preceding three-month period, the tax deducted therefrom, the political subdivisions imposing the tax upon such employee, the total earned income of all such employees during the preceding three-month period and the total tax deducted therefrom and paid with the return. Any employer who for two of the preceding four quarterly periods has failed to deduct the proper tax or any part thereof or has failed to pay over the proper amount of tax to the taxing authority may be required by the Officer to file his return and pay the

tax monthly. In such cases, payments of tax shall be made to the Officer on or before the last day of the month succeeding the month for which the tax was withheld.

- C. On or before February 28 of each succeeding year, every employer shall file with the Officer:
- (1) An annual return showing the total amount of earned income paid, the total amount of tax deducted and the total amount of tax paid to the Officer for the period beginning January 1 of each year and ending December 31 of each year.
  - (2) A return withholding statement for each employee employed during all or any part of the period beginning January 1 of each year and ending December 31 of each year, setting forth the employee's name, address and social security number, the amount of earned income paid to the employee during said period, the amount of tax deducted, the political subdivisions imposing the tax upon such employee and the amount of tax paid to the Officer. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.
- D. Every employer who discontinues business prior to December 31 of each year shall, within 30 days after the discontinuance of business, file the returns and withholding statements hereinabove required and pay the tax due.
- E. Except as otherwise provided in this section, every employer who willfully or negligently fails or omits to make the deductions required by this section shall be liable for payment of the taxes which he has been required to withhold to the extent that such taxes have not been recovered from the employee.
- F. The failure or omission of any employer to make the deductions required by this section shall not relieve any employee from the payment of the tax or from complying with the requirements of this article relating to the filing of declarations and returns.

**§ 145-5. Powers and duties of Officer; bonding.**

- A. It shall be the duty of the Officer to collect and receive the taxes, fines and penalties imposed by this article. It shall also be his duty to keep a record showing the amount received by him from each person or business paying the tax and the date of such receipt.
- B. The Officer, before entering upon his official duties, shall give and acknowledge a bond to the Borough of Mansfield. If the Council of the Borough of Mansfield shall, by resolution, designate any bond previously given by the Officer as adequate, such bond shall be sufficient to satisfy the requirements of this subsection.
- (1) Such bond shall be joint and several with one or more corporate sureties which shall be surety companies authorized to do business in this commonwealth and duly licensed by the Insurance Commissioner of this commonwealth.
  - (2) Such bond shall be conditioned upon the faithful discharge by the Officer, his clerks, assistants and appointees of all trusts confided in him by virtue of his office, upon the faithful execution of all duties required of him by virtue of his office, upon the just and faithful accounting or payment over, according to law, of



all moneys and all balances thereof paid to, received or held by him by virtue of his office and upon the delivery to his successor or successors in office of all books, papers, documents or other official things held in right of his office.

- (3) Such bond shall be taken in the name of the Borough of Mansfield or in the name of the Borough of Mansfield and the Southern Tioga School District and shall be for the use of such political subdivision or subdivisions appointing the Officer, where the same Officer is appointed by the school district and the Borough, and for the use of such other person or persons for whom money shall be collected or received or as his or her interest shall otherwise appear in case of a breach of any of the conditions thereof by the acts or neglect of the principal on the bond.
  - (4) The Borough of Mansfield or, if a joint bond is provided to the Borough of Mansfield and the Southern Tioga School District, either political subdivision or any person may sue upon the said bond in its or his own name for its or his own use.
  - (5) Such bond shall contain the names of the surety company or companies bound thereon. The Borough of Mansfield, or the Borough of Mansfield and the Southern Tioga School District if a combined bond is provided, shall fix the amount of the bond at an amount equal to the maximum amount of taxes which may be in the possession of the Officer at any given time.
  - (6) The Borough of Mansfield, or the Borough of Mansfield and the Southern Tioga School District if a combined bond is provided may, at any time upon cause shown and due notice to the Officer and his surety or sureties, require or allow the substitution or the addition of a surety company acceptable to the Borough of Mansfield or to the Borough of Mansfield and the Southern Tioga School District, as the case may be, for the purpose of making the bond sufficient in amount, without releasing the surety or sureties first approved from any accrued liability or previous action on such bond.
  - (7) The Borough of Mansfield, or the Borough of Mansfield and the Southern Tioga School District as the case may be, shall designate the custodian of the bond required to be given by the Officer.
- C. The Officer charged with the administration and enforcement of the provisions of this article is hereby empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter pertaining to the administration and enforcement of this article, including provisions for the reexamination and correction of declarations and returns and of all payments alleged or found to be incorrect or to which an overpayment is claimed or found to have occurred and to make refunds in cases of overpayment for any period of time not to exceed six years subsequent to the date of payment of the sum involved and to prescribe forms necessary for the administration of this article. No rule or regulation of any kind shall be enforceable unless it has been approved by resolution of the Borough Council of the Borough of Mansfield. A copy of such rules and regulations currently in force shall be available for public inspection.
- D. With the prior approval of the Council of the Borough of Mansfield, the Officer shall refund, on petition of and proof by the taxpayer, earned income tax paid on the

taxpayer's ordinary and necessary business expenses to the extent that such expenses are not paid by the taxpayer's employer.

- E. The Officer and agents designated by him are hereby authorized to examine the books, papers and records of any employer or of any taxpayer or of any person whom the Officer reasonably believes to be an employer or taxpayer, in order to verify the accuracy of any declaration or return, or if no declaration or return was filed, to ascertain the tax due. Every employer and every taxpayer and every person whom the Officer reasonably believes to be an employer or taxpayer is hereby directed and required to give to the Officer or to any agent designated by him the means, facilities and opportunity for such examination and investigations as are hereby authorized.
- F. Any information gained by the Officer, his agent or by any other official or agent of the taxing district as the result of any declarations, returns, investigations, hearings or verifications required or authorized by this article shall be confidential, except for official purposes and except in accordance with a proper judicial order or as otherwise provided by law.
- G. The Officer is authorized to establish different filing, reporting and payment dates for taxpayers whose fiscal years do not coincide with the calendar year.
- H. The Officer is authorized to direct and require all owners or operators of rental income property within the Borough of Mansfield to furnish said Officer, in writing, current names and addresses of all occupants of rental income property within the Borough of Mansfield owned or operated by him, her or it and, moreover, to keep the same current by furnishing to said Officer, within 10 days of any change in occupancy, written notice of such change with the name and address of such new occupant or occupants.

#### **§ 145-6. Compensation of Officer.**

The Income Tax officer shall receive such compensation for his services and expenses as shall be determined by the Council of the Borough of Mansfield from time to time. In the case of a single collector established by the Council of the Borough of Mansfield and the Board of Directors of the Southern Tioga School District, such taxing jurisdiction shall share in the compensation and expenses of a single officer according to the proportionate share that the total annual collection for each jurisdiction bears to the total annual collection for all political subdivisions in a single collector district, except that with the agreement of 2/3 of all participating political subdivisions, a different manner of sharing may be substituted.

#### **§ 145-7. Suit for collection of tax.**

- A. The Officer may sue in the name of the Borough of Mansfield for the recovery of taxes due and unpaid under this article.
- B. Any suit brought to recover the tax imposed by this article shall be begun within three years after such tax is due or within three years after the declaration or return has been filed, whichever date is later; provided, however, that this limitation shall not prevent the



institution of a suit for the collection of any tax due or determined to be due in the following cases:

- (1) Where no declaration or return was filed by any person although a declaration or return was required to be filed by him under the provisions of this article, there shall be no limitation.
  - (2) Where an examination of the declaration or return filed by any person or of other evidence relating to such declaration or return in the possession of the Officer reveals a fraudulent evasion of taxes, there shall be no limitation.
  - (3) In the case of substantial understatement of tax liability of 25% or more and no fraud, suit shall be begun within six years.
  - (4) Where any person has deducted taxes under the provisions of this article and has failed to pay the amounts so deducted to the Officer, or where any person has willfully failed or omitted to make the deductions required by this section, there shall be no limitation.
  - (5) This section shall not be construed to limit the governing body from recovering delinquent taxes by any other means provided by the enabling act.<sup>1</sup>
- C. The Officer may sue for the recovery of an erroneous refund, provided that such suit is begun two years after making such refund, except that the suit may be brought within five years if it appears that any part of the refund was induced by fraud or misrepresentation of material fact.

#### **§ 145-8. Interest and penalties.**

If for any reason the tax is not paid when due, interest at the rate of 6% per annum on the amount of said tax and an additional penalty of 1/2 of 1% of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid shall be added and collected. 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.

#### **§ 145-9. Violations and penalties.**

- A. Any person who fails, neglects or refuses to make any declaration or return required by this article; any employer who fails, neglects or refuses to register or to pay the tax deducted from his employees, or fails, neglects or refuses to deduct or withhold the tax from his employees; any person who refuses to permit the Officer or any agent designated by him to examine his books, records and papers; and any person who knowingly makes any incomplete, false or fraudulent return or attempts to do anything whatsoever to avoid the full disclosure of the amount of his net profits or earned income in order to avoid the payment of the whole or any part of the tax imposed by this article shall, upon conviction thereof before any District Justice or court of competent

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1. Editor's Note: The reference is to the Local Tax Enabling Act, 53 P.S. § 6901 et seq., as amended.

jurisdiction in Tioga County, be sentenced to pay a fine of not more than \$500 for each offense and costs, and in default of said fine and costs, be imprisoned for a period not exceeding 30 days in the Tioga County Jail.

- B. Any person who divulges any information which is confidential under the provisions of this article shall, upon conviction thereof before any District Justice, be sentenced to pay a fine of not more than \$500 for each offense and costs, and in default of payment of said fine and costs, be imprisoned for a period not exceeding 30 days in the Tioga County Jail.
- C. The penalties imposed under this section shall be in addition to any other penalty imposed by any other section of this article.
- D. The failure of any person to receive or procure forms required for making the declaration or returns required by this article shall not excuse him from making such declaration or return.

#### **§ 145-10. Statutory authority.**

This article and the tax imposed hereunder is adopted under and by virtue of the authority contained in Act No. 511 of the General Assembly of the Commonwealth of Pennsylvania, approved the 31st day of December 1965, entitled the "Local Tax Enabling Act of 1965," its supplements and amendments,<sup>2</sup> the provisions of which are hereby accepted and adopted by the Council of the Borough of Mansfield, and where the interpretation of terms or provisions of this article is not in accord with or in compliance with the provisions of said Act of Assembly, the provisions of said Act of Assembly are intended to be ordained and enacted by this article as fully as though incorporated, set forth and made part of this article.

### ARTICLE II Realty Transfer Tax [Adopted 12-13-2006 by Ord. No. 432<sup>3</sup>]

#### **§ 145-11. Imposition of tax.**

The Borough of Mansfield adopts the provisions of Article XI-D of the Tax Reform Code of 1971<sup>4</sup> and imposes a realty transfer tax as authorized under that article subject to the rate limitations therein. The tax imposed under this section shall be at the rate of 1%.

#### **§ 145-12. Administration.**

The tax imposed under § 145-11 and all applicable interest and penalties shall be administered, collected and enforced under the Act of December 31, 1965 (P.L. 1257, No.

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2. Editor's Note: See 53 P.S. § 6901 et seq.

3. Editor's Note: This ordinance also repealed former Art. II, Realty Transfer Tax, adopted 1-6-1987 by Ord. No. 328.

4. Editor's Note: See 72 P.S. § 8101-D et seq.

511, as amended, known as the "Local Tax Enabling Act"<sup>s</sup>), provided that if the correct amount of the tax is not paid by the last date prescribed for timely payment, the Borough of Mansfield, pursuant to Section 1102-D of the Tax Reform Code of 1971 (72 P.S. § 8102-D), authorizes and directs the Department of Revenue of the Commonwealth of Pennsylvania to determine, collect and enforce the tax, interest and penalties.

#### **§ 145-13. Interest rate on delinquent tax.**

Any tax imposed under § 145-11 that is not paid by the date the tax is due shall bear interest as prescribed for interest on delinquent municipal claims under the Act of May 16, 1923 (P.L. 207, No. 153) (53 P.S. § 7101 et seq.), as amended, known as the "Municipal Claims and Tax Liens Act". The interest rate shall be the lesser of the interest rate imposed upon delinquent commonwealth taxes as provided in Section 806 of the Act of April 9, 1929 (P.L. 343, No. 176) (72 P.S. § 806), as amended, known as the "Fiscal Code," or the maximum interest rate permitted under the Municipal Claims and Tax Liens Act for tax claims.

### **ARTICLE III**

#### **Local Services Tax**

**[Adopted 12-14-2005 by Ord. No. 429; amended in its entirety 12-12-2007 by Ord. No. 438<sup>e</sup> ]**

#### **§ 145-14. Title.**

This article shall be known and may be cited as the "Borough of Mansfield Local Services Tax Ordinance."

#### **§ 145-15. Definitions.**

The following words and phrases, when used in this article, 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 MANSFIELD or BOROUGH** — The area within the corporate limits of the Borough of Mansfield.

**COLLECTOR** — The person, public employee or private agency designated by the Borough of Mansfield 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 Dec. 31, 1965, P.L. 1257, § 13, as amended, 53 P.S. § 6913, as amended.

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5. Editor's Note: See 53 P.S. § 6901 et seq.

6. Editor's Note: This ordinance also provided that the tax imposed is effective 1-1-2008 and for all calendar years thereafter unless repealed or modified by ordinance of the Borough Council.

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 Mansfield.

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 Dec. 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 Mansfield 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 § 145-16 of this article.

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

#### **§ 145-16. Levy of tax.**

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 Mansfield 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 article. This tax may be used solely for the following purposes as the same may be allocated by the Borough Council from time to time: 1) emergency services, which shall include emergency medical services, police services and/or fire services; 2) road construction and/or maintenance; 3) reduction of property taxes; or 4) property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S.A. Ch. 85, Subch. F (relating to homestead property exclusion).<sup>7</sup> The Borough shall use no less than 25% of the funds derived from the tax for emergency services. This tax is in addition to all other taxes of any kind or nature heretofore levied by the Borough of Mansfield. 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.

#### **§ 145-17. Exemptions; refunds.**

A. 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

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7. Editor's Note: See 53 Pa.C.S.A. § 8581 et seq.

is exempt from the payment of the tax for that calendar year. In addition, the following persons are exempt from payment of the tax:

- (1) 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 one-hundred-percent disability.
- (2) 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.

B. Procedure to claim exemption.

- (1) A person seeking to claim an exemption from the local services tax shall 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 B(2), 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.
- (2) With respect to a person who claimed an exemption for a given 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 B(3).
- (3) 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 B(2), 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 B(2), 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 article.

- (4) Except as provided in Subsection B(2), it is the intent of this subsection that employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility or exempting any employee from a local services tax.
- C. Refunds. The Borough Manager, and/or his designee, 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. (NOTE: With respect to refunds, see 53 Pa.C.S.A. § 8425; with respect to interest, see 53 Pa.C.S.A. § 8426.) 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, and/or his designee, or the Collector shall determine eligibility for refunds to exempt persons and provide refunds.

**§ 145-18. Duty of employers to collect.**

- A. Each employer within the Borough of Mansfield, as well as those employers situated outside the Borough of Mansfield but who engage in business within the Borough of Mansfield, 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 Mansfield 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 Mansfield.
- B. 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 1/100 of a dollar. Collection of the tax shall be made on a payroll period basis for each payroll provided in Subsection D 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.



- C. No person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll period.
- D. 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.
- E. 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.
- F. 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 B of § 138-17 of this article and this section and remits the amount so withheld in accordance with this article.
- G. Employers shall be required to remit the local services taxes 30 days after the end of each quarter of a calendar year.

#### **§ 145-19. Returns.**

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 article, the employer shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer.

#### **§ 145-20. Dates for determining tax liability and payment.**

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.

#### **§ 145-21. Self-employed individuals.**

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 Mansfield shall be required to comply with this article 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.

**§ 145-22. Individuals engaged in more than one occupation or employed in more than one political subdivision.**

- A. 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:
- (1) First, the political subdivision in which a person maintains his or her principal office or is principally employed;
  - (2) Second, the political subdivision in which the person resides and works if the tax is levied by the political subdivision;
  - (3) Third, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home.
- B. 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.

**§ 145-23. Nonresidents subject to tax.**

All employers and self-employed individuals residing or having their places of business outside of the Borough of Mansfield but who perform services of any type or kind or engage in any occupation or profession within the Borough of Mansfield do, by virtue thereof, agree to be bound by and subject themselves to the provisions, penalties and regulations promulgated under this article with the same force and effect as though they were residents of the Borough of Mansfield. Further, any individual engaged in an occupation within the Borough of Mansfield and an employee of a nonresidential employer may, for the purpose of this article, 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.

**§ 145-24. Administration of tax.**

- A. The Collector shall be appointed by resolution of the Borough Council. It shall be the duty of the Collector to accept and receive payment 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.
- B. The Collector is hereby charged with the administration and enforcement of this article 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 article, including provisions for the examination of payroll records of any employer subject to this article, the examination and correction of any return made in compliance with this article 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 Tioga County as in other cases provided.

- C. 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.

**§ 145-25. Suits for collection.**

- A. In the event that any tax under this article 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 article, together with interest and penalty.
- B. 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.

**§ 145-26. Violations and penalties.**

Whoever makes any false or untrue statement on any return required by this article, 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 article 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 refused to file a return required by this article.

**§ 145-27. Interpretation of provisions.**

- A. Nothing contained in this article shall be construed to empower the Borough of Mansfield 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.
- B. If the tax hereby imposed under the provisions of this article 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.

ARTICLE IV  
**Economic Revitalization Tax Assistance**  
**[Adopted 3-12-2008 by Ord. No. 440]**

**§ 145-28. Title.**

This article shall be known and may be cited as the "Borough of Mansfield Economic Revitalization Tax Assistance Ordinance."

**§ 145-29. Definitions.**

The following words and phrases when used in this article shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

**DETERIORATED PROPERTY** — Any industrial, commercial or other business property situate in the B-2, B-3, and M-1 Zoning Districts of the Borough.

**ELIGIBLE ASSESSMENT** — The amount of additional assessment directly attributable to the improvements to deteriorated property or new construction.

**IMPROVEMENT** — Any repair, construction or reconstruction, including alterations and additions, which have the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards which results in an increase in the tax assessment for the deteriorated property. Ordinary upkeep, repairs, and maintenance shall not be deemed an improvement.

**§ 145-30. Exemption schedule and amount.**

A. The amount to be exempted will be in accordance with the following:

- (1) For the first year for which improvements would otherwise be taxable, 90% of the eligible assessment shall be exempted.
- (2) For the second year for which improvements would otherwise be taxable, 80% of the eligible assessment shall be exempted.
- (3) For the third year for which improvements would otherwise be taxable, 60% of the eligible assessment shall be exempted.
- (4) For the fourth year for which improvements would otherwise be taxable, 40% of the eligible assessment shall be exempted.
- (5) For the fifth year for which improvements would otherwise be taxable, 20% of the eligible assessment shall be exempted.
- (6) After the fifth year, the exemption hereunder shall terminate and the property shall be taxed at 100% of the total assessment at the applicable property tax rate then in effect.

- B. The exemption from property taxes pursuant to this article shall be upon the property and shall not terminate upon the sale or exchange of the property.
- C. The amount of the exemption shall be limited to the eligible assessment attributed to the actual cost of improvements to deteriorated property or new construction.
- D. In no case shall the tax exemption be granted pursuant to the provisions of this article if the property owner has not secured, or does not secure, all necessary and proper zoning, building, health, housing, electrical, plumbing, occupancy, or any other permits required for improvements or new construction.

**§ 145-31. Applicability; procedure for obtaining exemption.**

- A. This article shall apply to all building permits issued on or after July 1, 2007, for deteriorated property.
- B. The procedure for obtaining exemption shall be in accordance with the Local Economic Revitalization Tax Assistance Act<sup>8</sup> or within 60 days of the property owners' receipt of notice of eligible assessment.

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8. Editor's Note: See 72 P.S. § 4722 et seq.

