

Chapter 24

Taxation; Special

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Part 1**Earned Income and Net Profits Tax****A. Imposition****§24-101. Short Title.**

This Part shall be known as the “Reading Township Earned Income and Net Profits Tax Ordinance.”

(*Ord. 2011-6, 11/21/2011, §1*)

§24-102. Intent.

It is the intent and purpose of this Part to include all of the applicable language and provisions of 53 P.S. §6924.501 *et seq.*, the Act of General Assembly of July 2, 2008, (P.L. 197) and known as Act No. 32, as may be amended and supplemented from time to time. In all enforcement of the administration of this Part, the language and intent of Act 32, as amended, shall take precedence.

(*Ord. 2011-6, 11/21/2011, §2*)

§24-103. Definitions.

All words and phrases shall have the meanings as set forth in Act 32, as amended. The following words and phrases, when used in this Part shall have the meanings ascribed to them as follows:

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.

Business entity—a sole proprietorship, corporation, joint-stock association or company, partnership, limited partnership, limited liability company, association, business trust, syndicate or other commercial or professional activity organized under the laws of this Commonwealth or any other jurisdiction.

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. This term shall include an entity which is classified as a corporation for Federal income tax purposes.

Current year—the calendar year for which the tax is levied.

Department—the Pennsylvania Department of Community and Economic Development or successor agency charged with any duties under Act 32, as may be amended and supplemented.

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 necessary 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—the compensation as required to be reported to or as determined by the Pennsylvania Department of Revenue under §303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the “Tax Reform Code of 1971,” and rules and regulations promulgated under that Section. For purposes of earned income and net profits tax, employee business expenses are allowable deductions as determined under Article III of the “Tax Reform Code of 1971.” The term does not include offsets for business losses. The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income.

Earned income and net profits tax—the tax levied herein by the Township on earned income and net profits. Also referred to as “tax” herein.

Employer—a person, business entity or other entity employing one or more persons for a salary, wage, commission or other compensation. The term includes the Commonwealth, a political subdivision and an instrumentality or public authority of either. For purposes of penalties hereunder, this term includes a corporate officer.

Municipality—a city of the second class, city of the second class A, city of the third class, borough, town, township of the first class or township of the second class. For purposes of this Part, such term shall mean Reading Township, Adams County, Pennsylvania.

Net profits—the net income from the operation of a business, except corporations as required to be reported to or as determined by the Department of Revenue under §303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the “Tax Reform Code of 1971,” and rules and regulations in promulgated under such Section. The term does not include income: (1) which is not paid for services provided; and (2) which is in the nature of earnings from an investment. For taxpayers engaged in the business, profession or activity of farming, the term shall not include:

- (1) Any gain on the sale of farm machinery.
- (2) Any gain on the sale of livestock held 12 months or more for draft, breeding or dairy purposes.
- (3) Any gain on the sale of other capital assets of the farm.

Nonresident—a person, partnership, association or other entity domiciled outside of the municipality.

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 municipality.

Succeeding year—the calendar year following the current year.

Tax Bureau—a public nonprofit entity established by a tax collection committee for the administration and collection of earned income and net profits tax.

Tax Collection Committee—(herein referred to as “TCC”) The committee

established to govern each tax collection district for the purpose of income tax collection. This term shall include a joint tax collection committee.

Tax Collection District—(herein referred to as “TCD”) A tax collection district established under Act 32. This term shall include a joint tax collection district.

Tax officer—a political subdivision, public employee, tax bureau, county, excluding a county of the first class, or private agency which administers and collects earned income and net profits for one or more tax collection district. Unless otherwise specifically provided, for purposes of an employer, the obligations of an employer, the term shall mean the tax officer or tax collector for the tax collection district within which the employer is located, or if an employer maintains workplaces in more than one tax collection district, the tax officer for each such tax collection district with respect to employees principally employed therein.

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.

(Ord. 2011-6, 11/21/2011, §3)

§24-104. Imposition of Tax.

1. A tax of 1 percent for general revenue purposes is hereby imposed on earned income and net profits earned by residents of the Township.

2. A tax of 1 percent for general revenue purposes is hereby imposed on earned income and net profits earned by nonresidents, exclusive of domestic servants and Maryland residents.

3. The earned income and net profits tax levied under this Part shall be applicable to earned income received and to net profits earned during the period beginning January 1 of the current year and ending December 31 of the current year or for taxpayer fiscal years beginning in the current year. The earned income and net profits tax shall continue in force on a calendar year or taxpayer fiscal year basis without the need for annual enactment or re-enactment, unless the rate of the tax is subsequently changed. For a taxpayer whose fiscal year is not a calendar year, the tax officer shall establish deadlines for filing, reporting and payment of taxes which provide time periods equivalent to those provided for a calendar year taxpayer.

(Ord. 2011-6, 11/21/2011, §4)

§24-105. Declaration and Payment of Tax.

1. *Application.*

A. Income taxes shall be applicable to taxable income earned or received based on the method of accounting used by the taxpayer in the period beginning January 1 of the current year and ending December 31 of the current year; except that taxes imposed for the first time and changes to existing tax rates shall become effective on January 1 or July 1, as specified in this Part, and the tax shall continue in force on a calendar year or taxpayer fiscal year basis, without annual reenactment, unless the rate of the tax is subsequently changed.

B. For a taxpayer whose fiscal year is not a calendar year, the tax officer shall establish deadlines for filing, reporting and payment of taxes which provide time periods equivalent to those provided for a calendar year taxpayer.

2. *Partial Domicile.* The taxable income subject to tax of a taxpayer who is domiciled in a political subdivision for only a portion of the tax year shall be an amount equal to the taxpayer's taxable income multiplied by a fraction, the numerator of which is the number of calendar months during the tax year that the individual is domiciled in the political subdivision, and the denominator of which is 12. A taxpayer shall include in the numerator any calendar month during which the taxpayer is domiciled for more than half the calendar month. A day that a taxpayer's domicile changes shall be included as a day the individual is in the new domicile and not the old domicile. If the number of days in the calendar month in which the individual lived in the old and new domiciles are equal, the calendar month shall be included in calculating the number of months in the new domicile.

3. *Declaration and Payment.* Except as provided in paragraph .B(2), taxpayers shall declare and pay income taxes as follows:

A. Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the resident tax officer, a final return showing the amount of taxable income received during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due on the taxable income, the amount of tax paid, the amount of tax that has been withheld under §24-107 below and the balance of tax due. All amounts reported shall be rounded to the nearest whole dollar. At the time of filing the final return, the taxpayer shall pay the tax officer the balance of the tax due or shall make demand for refund or credit in the case of overpayment.

B. (1) Every taxpayer making net profits shall, by April 15 of the current year, make and file with the tax officer a declaration of the taxpayer's estimated net profits during the period beginning January 1 and ending December 31 of the current year, and shall pay to the tax officer in four equal quarterly installments the tax due on the estimated net profits. The first installment shall be paid at the time of filing the declaration, and the other installments shall be paid on or before June 15 of the current year, September 15 of the current year and January 15 of the succeeding year, respectively.

(2) Any taxpayer who first anticipates any net profit after April 15 of the current year, shall make and file the declaration required on or before June 15 of the current year, September 15 of the current year or December 31 of the current year, whichever date next follows the date on which the taxpayer first anticipates such net profit, and shall pay to the tax officer in equal installments the tax due on or before the quarterly payment dates that 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 tax officer a final return showing the amount of net profits earned or received based on the method of accounting used by the taxpayer during the period beginning January 1 of the current year, and ending December 31 of the current year, the total amount of tax due on the net profits and the total amount of tax paid. At the time of filing the final return, the taxpayer shall pay to the tax 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 the estimated tax, elect to make and file with the tax officer on or before January 31 of the succeeding

year, the final return.

(4) The department, in consultation with the Department of Revenue, shall provide by regulation for the filing of adjusted declarations of estimated net profits and for the payments of the estimated tax in cases where a taxpayer who has filed the declaration required under this subsection anticipates additional net profits not previously declared or has overestimated anticipated net profits.

(5) Every taxpayer who discontinues business prior to December 31 of the current year, shall, within 30 days after the discontinuance of business, file a final return as required under this Part and pay the tax due.

C. Every taxpayer who receives any other taxable income not subject to withholding under §512(3) of the Act shall make and file with the resident tax officer a quarterly return on or before April 15 of the current year, June 15 of the current year, September 15 of the current year, and January 15 of the succeeding year, setting forth the aggregate amount of taxable income not subject to withholding by the taxpayer during the 3-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 income tax, together with such other information as the department may require. Every taxpayer filing a return shall, at the time of filing the return, pay to the tax officer the amount of income tax due. The department shall establish criteria under which the tax officer may waive the quarterly return and payment of the income tax and permit a taxpayer to file the receipt of taxable income on the taxpayer's annual return and pay the income tax due on or before April 15 of the succeeding year.

(Ord. 2011-6, 11/21/2011, §5)

§24-106. Registration.

1. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the municipality, having imposed a tax on earned income or net profits within its municipal boundaries 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 employee, register with the tax officer or other designated tax officer, his/her or its name and address and such other information as the Pennsylvania Department of Economic and Community Development may require.

2. Every employer shall require each new employee to complete a certificate of residency form, which form shall be an addendum to the Federal Employee's Withholding Allowance Certificate (Form W-4 or successor form). An employer shall also require any employee who changes their address or domicile to complete a certificate of residency form, which forms are available from the Pennsylvania Department of Economic and Community Development or the tax officer upon request. The purpose of said form shall be to help identify the political subdivision where an employee lives and works.

(Ord. 2011-6, 11/21/2011, §6)

§24-107. Filing and Payment of Tax by Employer; Withholding.

1. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the Township imposing a tax on earned income or net profits within the municipality who employs one or more persons for a salary, wage, commission or other compensation shall deduct at the time of payment thereof the tax imposed by this Part on the earned income due to his employee or employees and shall, 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, file a quarterly return and pay to the tax officer the amount of taxes deducted during the preceding quarterly 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. Such return, unless otherwise agreed upon between the tax officer and employer, shall show the name and social security number of each such employee, the compensation of such employee during such preceding 3-month period, the tax deducted therefrom, the political subdivisions imposing the tax upon such employee, the total compensation of all such employees during such preceding quarterly period and the total tax deducted therefrom and paid with the return as well as any other information prescribed by the department.

2. Any employer who, for two of the preceding four quarterly periods, has failed to deduct the proper tax or any part thereof or who has failed to pay over the proper amount of tax to the tax officer may be required by the tax officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the tax officer on or before the last day of the month succeeding the month for which the tax was withheld.

3. Notwithstanding the provisions of subsection .1 above, the provisions of this subsection shall apply if any employer has more than one place of employment in more than one tax collection district. Within 30 days following the last day of each month, the employer may file the return required by subsection .1 above and pay the total amount of tax due from employees in all work locations during the preceding month to the tax officer for either the tax collection district in which the employer's payroll operations are located or as determined by the department. The return and tax deducted shall be filed and paid electronically. The employer must file a notice of intention to file combined returns and make combined payments with the tax officer for each place of employment at least 1 month prior to filing its first combined return or making its first combined payment. This subsection shall not be construed to change the location of an employee's place of employment for purposes of nonresident tax liability.

4. Every employer shall deduct or withhold from employees, exclusive of domestic servants and Maryland residents, at the following rates:

A. For resident taxpayers, at the applicable rates imposed by Reading Township and Bermudian School District for the resident taxpayer's earned income and net profits.

B. For nonresident taxpayers, at the rate of no less than 1 percent of the nonresident taxpayer's earned income and net profits.

5. On or before February 28 of the succeeding year, every employer shall file with the tax officer or other designated tax officer to whom tax has been deducted and remitted as required herein:

A. An annual return showing the total amount of compensation paid, the total

amount of tax deducted, the total amount of tax paid to the tax officer for the period beginning January 1 of the current year and ending December 31 of the current year, and any other information prescribed by the department.

B. An individual withholding statement which may be integrated with the Federal Wage and Tax Statement (Form W-2 or successor form), for each employee employed during all or any part of the period beginning January 1 of the current year and ending December 31 of the current year, setting forth the employee's name, address and Social Security number, the amount of compensation paid to the employee during said period, the amount of tax deducted, the numerical code prescribed by the department representing the tax collection district where payments required herein were remitted and any other information required by the department and the amount of tax paid to the tax officer. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.

6. Every employer who discontinues business prior to December 31 of the current year shall, within 30 days after the discontinuance of business, file the returns and withholding statements hereinabove required and pay the tax due.

7. Except as otherwise provided for in this Part, 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 the employer is required to withhold to the extent that such taxes have not been recovered from the employee. 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 Part relating to the filing of declarations and returns.

8. No employer shall be required to register, deduct or withhold taxes, file returns or pay taxes with regard to residents of Maryland.

(*Ord. 2011-6, 11/21/2011, §7*)

§24-108. Powers and Duties of Tax Officer.

1. It shall be the duty of the tax officer to collect and receive the taxes, fines and penalties imposed by this Part. It shall also be the tax officer's duty to keep a record showing the amount of tax received from each taxpayer paying the tax and the date of such receipt.

2. Each tax officer, before entering upon official duties, shall give and acknowledge a bond to the tax collection committee(s) appointing such tax officer. The bond provided shall be subject to the following:

A. The tax collection committee(s) shall fix the amount of the bond in an amount equal to the maximum amount of taxes that may be in the possession of the tax officer at any given time or an amount sufficient, in combination with fiscal controls, insurance and other risk management and loss prevention measures used by the tax collection district(s), to secure the financial responsibility of the tax officer in accordance with guidelines adopted by the department; provided, however, that the bond shall be revised annually by the tax collection committee(s) based upon the annual audit required by the Act.

B. Each 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 Department of this Commonwealth.

C. Each bond shall be conditioned upon the faithful discharge by the tax 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.

D. Each such bond shall be taken in the name of the tax collection district(s) and shall be for the use of tax collection district(s) appointing the tax officer and for the use of any other political subdivision or tax collection district for whom taxes shall be collected or received hereunder, 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.

E. The political subdivision or political subdivisions appointing the tax officer of any person may sue upon said bond for the payment and distribution of taxes.

F. Each bond shall contain the name or names of the surety company or companies bound thereon.

G. The tax collection committee(s) appointing the tax officer may, at any time, upon cause shown and due notice to the tax officer and his surety or sureties, require or allow the substitution or the addition of a surety company acceptable to the tax collection committee(s) for the purpose of making the bond sufficient in amount, without releasing the surety first approved from any accrued liability or previous action on such bond.

H. The tax collection committee shall designate the custodian of the bond required to be given by the tax officer.

I. The tax collection committee shall file copies of all bonds in effect with each political subdivision in the tax collection district(s).

3. The tax officer shall comply with all resolutions, policies and procedures adopted by the tax collection committee(s) and shall comply with all regulations adopted by the department under the Act.

4. The tax 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.

5. The tax 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 tax 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 tax officer reasonably believes to be an employer or taxpayer is hereby directed and required to give to the tax officer or to any agent designated by him any means, facilities and opportunity for such examination and investigations as are hereby authorized. Such examination or audits shall be conducted by the tax officer and the tax officer's employees shall be conducted in accordance with 53 Pa.C.S.A., Chapter 84, Subchapter "C" (relating to the Local Taxpayers Bill of Rights).

6. Any information gained by the 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 this Part shall be and remain confidential, except for official purposes and except in accordance with a proper judicial order or as otherwise provided by law.

7. The tax officer is authorized to establish different filing, reporting and payment dates for taxpayers whose fiscal years do not coincide with the calendar year, provided that any filing, reporting or payment dates shall provide time periods equivalent to those time periods set forth for taxpayers whose fiscal year coincides with a calendar year.

(Ord. 2011-6, 11/21/2011, §8)

§24-109. Compensation of Tax Officer.

The tax officer shall receive such compensation for his, her or its services and expenses as shall be determined by the tax collection district(s).

(Ord. 2011-6, 11/21/2011, §9)

§24-110. Suit for Collection of Tax.

1. The tax officer may sue in the name of the political subdivision within the tax collection district for the recovery of taxes due and unpaid under this Part.

2. Any suit brought to recover the tax imposed by this Part shall be begun within 3 years after: (A) such tax is due or (B) the declaration or return has been filed, or (C) a redetermination of compensation or net profits by the Pennsylvania Department of Revenue 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:

A. Where no declaration or return was filed by any person although a declaration or return was required to be filed by him under provisions of this Part, there shall be no limitation.

B. 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 tax officer reveals a fraudulent evasion of taxes, there shall be no limitation.

C. Where any person has deducted taxes under the provisions of this Part and has failed to pay the amounts so deducted to the tax officer or where any person has willfully failed or omitted to make the deductions required by this Part, there shall be no limitation.

D. Where an employer has intentionally failed to make deductions required by this Part.

E. In the case of substantial understatement of tax liability of 25 percent or more and no fraud, suit shall be begun within 6 years.

3. The tax officer may sue for recovery of an erroneous refund, provided that such suit is begun 2 years after making such refund, except that the suit may be brought within 5 years if it appears that any part of the refund was induced by fraud or misrepresentation of material fact.

4. This Section shall not be construed to limit the Township from recovering

delinquent taxes by any other means provided by the act. Further, nothing set forth herein shall be construed to limit a tax officer, a tax collection district or political subdivision from recovering delinquent taxes by any other means provided by the Act. (*Ord. 2011-6, 11/21/2011, §10*)

§24-111. Interest and Penalties.

1. Except as may be provided for in subsection .2 below, in the event any tax imposed in this Part is not paid when due, interest shall accrue at the same rate a taxpayer is required to pay to the Commonwealth as provided in §806 of the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code, or such successor legislation, on the amount of said tax and an additional penalty of 1 percent of the unpaid tax for each month or fraction thereof during which the tax remains unpaid shall be added and collected but the amount of interest and penalty shall not exceed 15 percent in the aggregate. Where an action is brought for the recovery of tax, the taxpayer liable for the tax shall, in addition, be liable for the costs of collection, interest and penalties, including, but not limited to court costs and attorney's fees.

2. The department may establish conditions under which a tax officer, with the concurrence of the tax collection committee(s), may abate interest or penalties that would otherwise be imposed for the nonreporting or underreporting of income tax liabilities or for nonpayment of taxes previously imposed and due if the taxpayer files delinquent returns and pays the tax in full.

3. The provisions of subsection .2 above shall not affect or terminate any petitions, investigations, prosecutions or other proceedings pending under this Part, or prevent the commencement of further prosecution of any proceedings by the appropriate authorities for violations of this Part. However, no proceedings shall be commenced on the basis of delinquent returns filed pursuant to §24-110 above if the returns are determined to be substantially true and correct and the tax due is paid within the prescribed time.

(*Ord. 2011-6, 11/21/2011, §11*)

§24-112. Violations and Penalties.

1. Any person who fails, neglects or refuses to make any declaration or return required by this Part, 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 tax officer or any agent designated by him to examine his books, records, 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 Part shall, upon conviction thereof before any District Justice or court of competent jurisdiction in York County, be sentenced to pay a fine of not more than \$2,500 for each offense and costs and, in default of payment of said fine and costs, to be imprisoned for a period not exceeding 6 months.

2. Any employer who is required under this Part to collect, account for and distribute taxes and who willfully fails to collect or truthfully account for and distribute such tax, commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine

not exceeding \$25,000 or to imprisonment not exceeding 2 years or both.

3. Any person who divulges any information which is confidential under the provisions of this Part shall, upon conviction thereof before any District Justice or court of competent jurisdiction, be sentenced to pay a fine of not more than \$500 for each offense and costs and, in default of payment of said fines and costs, to be imprisoned for a period not exceeding 60 days.

4. The penalties imposed under this Section shall be in addition to any other penalty imposed by any other section of this Part.

5. The failure of any person to receive or procure forms required for making the declaration or returns required by this Part shall not excuse him or her from making such declaration or return.

(Ord. 2011-6, 11/21/2011, §12)

§24-113. Applicability.

This Part shall not apply to any person or property as to whom or which it is beyond the legal power of the Township to levy, assess and impose the tax or duties as herein provided.

(Ord. 2011-6, 11/21/2011, §13)

B. Costs of Collection**§24-121. Cost of Collection Schedule.**

Reading Township hereby approves and adopts the Cost of Collection Schedule, attached hereto and made a part hereof, to be imposed by the York Area Tax Bureau or such other tax collection entity hereafter designated by Reading Township for the collection of local taxes, upon any taxpayer whose taxes are or become delinquent and/or remain due and unpaid; provided, however, that Reading Township may amend said fee schedule by resolution from time to time.

(Ord. 2005-7, 9/13/2005, §1)

§24-122. Authorization to Retain Costs of Collection.

The York Area Tax Bureau, or such other tax collection entity designated by Reading Township, is authorized to retain such costs of collection as set forth in the attached schedule in recovering delinquent taxes and as permitted to be assessed to delinquent taxpayers pursuant to law.

(Ord. 2005-7, 9/13/2005, §2)

YORK AREA TAX BUREAU
 1415 North Duke St. PO Box 15627
 York, Pennsylvania 17405-0156
 Phone: 845-1584 Fax: 854-6376
 Web site: www.yatb.com E-Mail: info@yatb.com

SCHEDULE OF COSTS TO PROVIDE NOTICES OF DELINQUENCY OR TO COLLECT DELINQUENT TAXES

- I. Individual Earned Income Tax.
 - A. Non-filing individual taxpayer delinquency notices:
 - 1. First delinquent notice(each notice) \$5.00
 - 2. Second delinquent notice(each notice) \$10.00
 - 3. Preparation of Criminal Complaint \$20.00
 - 4. Preparation of re-filing Criminal Complaint due to non-compliance \$40.00
 - B. Unpaid individual earned income tax:
 - 1. First non-payment notice(each notice) \$5.00
 - 2. Second non-payment notice(each notice) \$10.00
 - 3. Payment schedule fee:
 - a. 0–6 months \$20.00
 - b. 6–12 months \$10.00
 - c. 12–18 months \$40.00
 - d. 18 months or more \$50.00
 - 4. Wage attachment \$40.00
 - 5. Suit in assumpsit or other appropriate remedy \$40.00
 - C. Non-compliance with required quarterly individual Tax payments.
 - \$5.00 per quarter
 - \$20.00 per year
 - D. Cost to provide copies of filed tax returns or W-2s to taxpayers.(current and next prior year) \$5.00
 (2nd prior year and older) \$10.00
- II. Employer Accounts.
 - A. Non-filing tax return or support documentation: (Applicable for each quarter)
 - 1. First delinquent notice (each notice) \$5.00
 - 2. Second delinquent notice (each notice) \$10.00
 - 3. Preparation of Criminal Complaint \$20.00
 - 4. Preparation of re-filing Criminal Complaint due to non-compliance \$40.00
 - B. Unpaid Employer's Remittance of Employee's Tax: (Applicable for each quarter)

1. First non-payment notice (each notice)	\$5.00
2. Second non-payment notice(each notice)	\$10.00
3. Payment schedule fee:	
a. 0–6 months	\$20.00
b. 6–12 months	\$30.00
c. 12–18 months	\$40.00
d. 18 months or more	\$50.00
4. Preparation of Criminal Complaint	\$20.00
5. Preparation of re-filing Criminal Complaint clue to non-compliance	\$40.00

III. Other Tax Collection Services. Mercantile/Business Privilege; Emergency and Municipal Services Tax; Delinquent Per Capita Tax). (As applicable for year or designated tax period).

A. Non-filing of return or support documentation delinquency notice:

1. First delinquent notice (each notice)	\$5.00
2. Second delinquent notice (each notice)	\$10.00
3. Preparation of Criminal Complaint	\$20.00
4. Preparation of re-filing Criminal Complaint due to non-compliance	\$40.00

B. Unpaid taxes.

1. First non-payment notice (each notice)	\$5.00
2. Second non-payment notice (each notice)	\$10.00
3. Payment schedule fee:	
a. 0–6 months	\$20.00
b. 6–12 months	\$30.00
c. 12–18 months	\$40.00
d. 18 months or more	\$50.00
4. Wage Attachment	\$40.00
5. Suit in assumpsit or other appropriate remedy	

Actual costs incurred
plus \$20.00 preparation fee

Part 2**Realty Transfer Tax****§24-201. Short Title.**

This Part shall be known as the “Realty Transfer Tax Ordinance of the Township of Reading.”

(*Ord. 1987-1, 2/14/1987, §1*)

§24-202. Authority.

A realty transfer tax for general revenue purposes is hereby imposed upon the transfer of real estate or interest in real estate situated within the Township of Reading, regardless of where the documents making the transfer are made, executed or delivered, or where the actual settlements on such transfer took place, as authorized by Article XI-D, “Local Real Estate Transfer Tax,” 72 P.S. §1801 *et seq.*

(*Ord. 1987-1, 2/14/1987, §2*)

§24-203. Definitions.

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 decedent'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, foreign country or dependency.

Document—any deed, instrument or writing which conveys, transfers, demises, vests, confirms or evidences any transfer or demise of title of 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 §24-202.

Family farm corporation—a corporation of which at least 75 percent of its assets are devoted to the business of agriculture and at least 75 percent 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.

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.

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. All lands, tenements or hereditaments within this Township of Reading, 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 percent or more of the ownership interest in which is held by 35 or fewer persons and which:

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

B. Holds real estate, the value of which comprises 90 percent 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.

B. Any interest in real estate enduring for a fixed period of years but which, either by reason of length of the term or the grant of a right to extend the term by renewal or otherwise, consist 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.

Township—Township of Reading.

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 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 factor developed by the Pennsylvania Department of Revenue for Pennsylvania realty transfer tax base calculations.

C. In the case of an easement or other interest in real estate, the value of which is not determinable under paragraph .A or .B, the actual monetary worth of such interest.

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 of a related corporation, association or partnership and the grantee existing before or effective with the transfer.

(Ord. 1987-1, 2/14/1987, §3)

§24-204. Imposition of Tax; Interest.

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 percent 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 within 30 days of acceptance of such document or within 30 days of 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 recorder of deeds whereon the date of the payment of the tax, amount of the tax and the signature of the collecting agent shall be set forth.

3. 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 impose or hereafter shall impose such tax on the same person or transfer then the tax levied by the Board of Supervisors of the Township of Reading under the authority of that Act shall during the time such duplication of the

tax exists, except as hereinafter otherwise provided, be one-half of the rate and such one-half shall become effective without any action on the part of the Board of Supervisors provided, however, that the Township of Reading and any other political subdivision which impose such tax on the same person or transfer may agree that, instead of limiting their respective rates to one-half 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.

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

(Ord. 1987-1, 2/14/1987, §4)

§24-205. Exempt Parties.

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.

(Ord. 1987-1, 2/14/1987, §5)

§24-206. Excluded Transactions.

The tax imposed by §24-204 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 in lieu of condemnation or deed or confirmation in connection with 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 1 year from the date of condemnation.

B. A document which the Township of Reading 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 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 covenants; however, if any of the parties take 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 brother or sister or the 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 1 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 actual 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 rebuttal presumption that the property is the property of the grantee in his individual capacity if the grantee claims an exemption from taxation under this clause.

L. A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation, except where the Department 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 2 years.

N. A transfer from a nonprofit industrial development agency or authority to a grantee of property conveyed by the grantee to that agency or authority as security for a debt of the grantee or a transfer to a nonprofit industrial development agency or authority.

O. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it, but only if: (1) 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 (2) the agency or authority has the full ownership interest in the

real estate transferred.

P. 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.

Q. 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.

R. A transfer to a conservancy which possesses a tax exempt status pursuant to §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 opportunities.

S. 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 percent of each class of the stock thereof.

T. A transfer between members of the same family of an ownership interest in a real estate company or family farm corporation.

U. A transaction wherein the tax is \$1 or less.

V. 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.

(Ord. 1987-1, 2/14/1987, §6)

§24-207. Documents Relating to Associations or Corporations and Members, Partners, Stockholders or Shareholders Thereof.

Except as otherwise provided in §24-206, 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 fully taxable. For the purpose of this Section, corporations and associations are entities separate from their members, partners, stockholders and shareholders.

(Ord. 1987-1, 2/14/1987, §7)

§24-208. Acquired Company.

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 percent or more of the total ownership interest in the company within a period of 3 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.

(Ord. 1987-1, 2/14/1987, §8)

§24-209. Credits Against Tax.

1. Where there is a transfer of a residential property by a licensed real estate broker which property was transferred to him 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 shall be given to him 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 a 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 leased by the grantor, a credit for the amount of tax paid at the time of the lease 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 a land contract by the grantor, a credit for the amount of the 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.

(Ord. 1987-1, 2/14/1987, §9)

§24-210. Extension of Lease.

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.

(Ord. 1987-1, 2/14/1987, §10)

§24-211. Proceeds of Judicial Sale.

The tax herein 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 except the State realty transfer tax, and the Sheriff, or other officer, conducting said sale, shall pay the tax

herein imposed out of the first moneys paid to him 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.

(Ord. 1987-1, 2/14/1987, §11)

§24-212. Duties of Recorder of Deeds.

1. As provided in 16 P.S. §11011-6, as amended by Act of July 7, 1983, (P.L. 40, No. 21), the recorder of deeds shall be the collection agent for the local realty transfer tax, including any amount payable to the Township of Reading 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 Township of Reading.

2. In order to ascertain the amount of the 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 10th of each month, the Recorder shall pay over to the Township of Reading all local realty transfer taxes collected, less 2 percent 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 percent 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 has been tendered.

(Ord. 1987-1, 2/14/1987, §12)

§24-213. Statement of Value.

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 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.

(Ord. 1987-1, 2/14/1987, §13)

§24-214. Civil Penalties.

1. If any part of any underpayment of taxes imposed by this Part is due to fraud, there shall be added to the tax an amount equal to 50 percent of the underpayment.

2. 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 percent of the amount of such tax if the failure is for not more than 1 month, with an additional 5 percent for each additional month or fraction thereof during which such failure continues, not exceeding 50 percent in the aggregate.

(Ord. 1987-1, 2/14/1987, §14)

§24-215. Lien.

The tax imposed by this Part shall become a lien upon the lands, tenements or hereditaments, or any interest therein, lying, being situated, wholly or in part within the boundaries of the Township of Reading, which lands, tenements, hereditaments or interest therein, are described in or conveyed by or transferred by the deed 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 discharged 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 Adams 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.

(Ord. 1987-1, 2/14/1987, §15)

§24-216. Enforcement.

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

(Ord. 1987-1, 2/14/1987, §16)

§24-217. Regulations.

The Recorder of Deeds of Adams County is charged with enforcement and collection of tax and is empowered to promulgate and enforce reasonable regulations for enforcement and collection of the tax. The regulations which have been promulgated by the Pennsylvania Department of Revenue under 72 P.S. §8101-C *et seq.*, are incorporated into and made a part of this Part.

(Ord. 1987-1, 2/14/1987, §17)

Part 3**Per Capita Tax****§24-301. Authority for Enactment.**

This Part is enacted under authority of the Local Tax Enabling Act, P.L. 1257, No. 511, December 31, 1965, 53 P.S. §§6901 *et seq.* (1982), as hereafter amended, supplemented, modified or reenacted by the General Assembly of Pennsylvania.

(Res. 2/6/1959; as revised by Ord. 1987-2, 7/16/1987, §24-301)

§24-302. “Resident” Defined.

The word “resident” as used in this Part shall mean every adult 18 years or older who lives within the Township of Reading.

(Res. 2/6/1959; as revised by Ord. 1987-2, 7/16/1987, §24-302)

§24-303. Imposition of Tax.

Every resident shall pay \$5 for the present calendar year and each year hereafter.

(Res. 2/6/1959; as revised by Ord. 1987-2, 7/16/1987, §24-303)

§24-304. Collection.

All taxes, interests, costs and penalties imposed by this Part shall be collected by the Township Tax Collector.

(Res. 2/6/1959; as revised by Ord. 1987-2, 7/16/1987, §24-304)

Part 4**Local Taxpayers Bill of Rights****§24-401. Purpose.**

This Part is adopted to comply with Act 50 of 1998, the Local Taxpayers Bill of Rights, 53 Pa.C.S.A. §8421 *et seq.* (the “Act”).

(*Ord. 1999-5, 6/14/1999, §1*)

§24-402. Short Title.

This Part shall be known as the “Reading Township Local Taxpayers Bill of Rights.”

(*Ord. 1999-5, 6/14/1999, §2*)

§24-403. Eligible Taxes.

This Part shall apply to the following eligible taxes levied by Reading Township: (A) Earned Income and Net Profits Tax; (B) Per Capita Tax; (C) Realty Transfer Tax; and (D) any other taxes subject to the Act now or hereafter levied by the Township. Eligible taxes shall not include taxes upon real estate.

(*Ord. 1999-5, 6/14/1999, §3*)

§24-404. Disclosure Statement.

The Township shall adopt by resolution a Disclosure Statement setting forth the rights of a taxpayer and the obligation of the Township during an audit or an administrative review of the taxpayer’s books and records, the administrative and judicial procedures by which a taxpayer may appeal or seek review of any adverse decision of the Township, the procedure for filing and processing claims and taxpayer complaints, and the enforcement procedures. The Township shall notify in the manner provided by law any taxpayer contacted regarding the assessment, audit, determination review or collection of an eligible tax of the availability of the Disclosure Statement, and the Township shall make copies of the Disclosure Statement available to taxpayers upon request at no charge to taxpayer.

(*Ord. 1999-5, 6/14/1999, §4*)

§24-405. Requirements for Results.

A taxpayer shall have 30 days from the mailing date to respond to requests for information by the Township. The Township may grant additional reasonable extensions to its initial request. The Township shall not take action against a taxpayer for the tax year in question until the expiration of the applicable response period, including any extensions.

(*Ord. 1999-5, 6/14/1999, §5*)

§24-406. Request for Prior Year Returns.

1. Except as provided in subsection .2, an initial inquiry by the Township

regarding a taxpayer's compliance with any eligible tax may include taxes required to be paid or tax returns required to be filed no more than 3 years prior to the mailing date of the notice.

2. The Township may make a subsequent request for a tax return or supporting information if after the initial request, the Township determines that the taxpayer failed to file a tax return, under reported income or failed to pay a tax for one or more of the tax periods covered by the initial request. This subsection shall not apply if the Township has sufficient information to indicate that the taxpayer's failure to file a required return or pay an eligible tax which was due more than 3 years prior to the date of the notice.

3. The Township has the authority to require a taxpayer to provide copies of the taxpayer's Federal individual tax return if the Township can demonstrate that the Federal tax information is reasonably necessary for the enforcement or collection of an eligible tax and the information is not available from other available sources.

(Ord. 1999-5, 6/14/1999, §6)

§24-407. Administrative Appeals.

1. The Board of Supervisors shall from time to time by resolution appoint a Township official or employee as the hearing officer to receive and to make determinations on petitions from taxpayers relating to the assessment, determination or refund of an eligible tax.

2. The Board of Supervisors shall adopt by resolution regulations governing the practice and procedure of administrative appeals which are incorporated herein by reference.

(Ord. 1999-5, 6/14/1999, §7)

§24-408. Installment Agreement.

1. The Township may enter into a written agreement with any taxpayer under which the taxpayer is allowed to satisfy liability for any eligible tax in installment payments if the Township determines that the agreement will facilitate collection.

2. The Township may terminate any agreement entered into under subsection .1 if:

A. Information which the taxpayer provided to the Township prior to the date of the agreement was inaccurate or incomplete.

B. The Township believes that collection of any eligible tax under the agreement is in jeopardy.

3. The Township may alter, modify or terminate the agreement if the Township finds that the financial condition of the taxpayer has significantly changed and:

A. Notice of the Township's finding is provided to the taxpayer no later than 30 days prior to the date of such action.

B. The notice contains reasons why the Township believes a significant change has occurred.

4. The Township may alter, modify or terminate an installment agreement if the taxpayer fails to do any of the following:

A. Pay any installment if the taxpayer fails to do any of the following:

- (1) Pay any other tax liability at the time the installment is due.
- (2) Provide a financial condition update as requested by the Township.

5. Nothing in this Section shall prohibit a taxpayer from prepaying in whole or in part any eligible tax under any agreement with the Township.

(Ord. 1999-5, 6/14/1999, §8)

Part 5**Real Estate Tax****§24-501. Tax Rate.**

It is hereby enacted the tax rate be and the same is hereby levied on all real property within Reading Township for the fiscal year 2011 as follows:

- A. Tax rates for general purposes, 0.2583 mills (meaning the sum of \$0.2583 on each \$1,000 of assessed valuation) on each \$1 of assessed valuation, or as otherwise expressed, the sum of \$0.02583 on each \$100 of assessed valuation. [*Ord. 2011-01*]

(*Ord. 2010-01, 12/20/2010; as amended by Ord. 2011-01, 2/21/2011, §1*)

