

CHAPTER 24
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PART 1

EARNED INCOME AND NET PROFIT TAX**A. Earned Income Tax.**

§ 24-101. Definitions. [Ord. 24-66, 10/12/1966, § 1; as amended by Ord. 18-83, 12/22/1983; by Ord. 11-98, 9/23/1998]

1. The following words shall have the meaning as prescribed by § 13 of the Local Tax Enabling Act as follows:

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, wages or compensation paid to persons on active military service, periodic payments for sickness and disability other than regular wages received during a period of sickness, disability or retirement or payments arising under workmen's 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 or payments commonly known as public

assistance or unemployment compensation payments made by any governmental agency or 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.

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.

RECEIVER OF EARNED INCOME TAX — Person, public employee or private agency designated by the City 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 taxing district.

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 taxing district.

SUCCEEDING YEAR — The calendar year following the current year.

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

2. The singular shall include the plural, and the masculine shall include the feminine and the neuter.

§ 24-102. Imposition of Tax. [Ord. 24-66, 10/12/1966, § 2; as amended by Ord. 18-83, 12/22/1983]

1. An annual tax for general revenue purposes of 1% is hereby imposed on:
 - A. Earned income received on and after January 1, 1967, by residents of the City of Hermitage.

- B. Earned income received on and after January 1, 1967, by nonresidents of the City of Hermitage for work done or services rendered or performed in the City of Hermitage.
- C. The net profits earned on and after January 1, 1967, in businesses by such residents.
- D. The net profits earned on and after January 1, 1967, in business conducted in the City of Hermitage by nonresidents.

2. Said taxes shall be levied, collected and paid with respect to earned income received and net profits earned to December 31 of the current year and said tax shall continue in force on a calendar year or taxpayer fiscal year basis without annual reenactment.

§ 24-103. Receiver of Earned Income Tax. [Ord. 24-66, 10/12/1966, § 3; as amended by Ord. 18-83, 12/22/1983; by Ord. 11-98, 9/23/1998]

The City shall designate a person, public employee or private agency to collect and administer the tax on earned income and net profits. The Receiver of Earned Income Tax shall collect and receive all such taxes, shall furnish a receipt for their payment, and shall keep a record showing the amount received by the Receiver of Earned Income Tax from such taxpayer and the date of each receipt. The Receiver of Earned Income Tax shall furnish a bond as required by the Local Tax Enabling Act and shall have such other duties and powers as are now provided or as may hereafter be provided by the Local Tax Enabling Act.

§ 24-104. Returns and Payment of Tax. [Ord. 24-66, 10/12/1966, § 4; as amended by Ord. 11-98, 9/23/1998]

Every person whose earned income or net profits are subject to the tax imposed by this Part shall on or before April 15 of the succeeding year, make and file with the Receiver of Earned Income Tax, on a form prescribed or approved by such Receiver of Earned Income Tax, a final return showing his or her name and address, name and place of his or her business or employment and employer, the aggregate amount of his or her earned income received and net profits earned during the preceding year, the amount of tax due thereon, the amount of like tax paid thereon to any other political subdivision of the Commonwealth of Pennsylvania or elsewhere, the amount of tax thereon that has been withheld at source by employer, and the balance of tax due, together with such other pertinent information as may be required. Further, at the time of filing such a final return, such person shall pay to the Receiver of Earned Income Tax the tax or balance of tax due. Every taxpayer who discontinues business prior to December 31 of the current year shall within 30 days after the discontinuance of business file his final return as hereinbefore required and pay the tax due.

§ 24-105. Collection at Source. [Ord. 24-66, 10/12/1966, § 5; as amended by Ord. 35-75, 12/17/1975, §§ 1, 2; by Ord. 18-83, 12/22/1983; by Ord. 11-98, 9/23/1998]

1. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the City of Hermitage who employs one or more persons, other than domestic servants, for salary, wage, commission or other compensation, who has not previously registered, shall, within 15 days after becoming an employer, register with the Receiver of Earned Income Tax his name and address and such other information as the Receiver of Earned Income Tax may require.
2. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the City of Hermitage 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 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, and October 31 of the current year, and January 31 of the succeeding year, file a return and pay to the Receiver of Earned Income Tax the amount taxes deducted during the preceding three month periods ending March 31, June 30, September 30 and December 31, respectively. Such return unless otherwise agreed upon between the Receiver of Earned Income Tax and employer shall show the name and Social Security number of each 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 such 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 Receiver of Earned Income Tax to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the Receiver of Earned Income Tax on or before the last day of the month succeeding the month for which the tax was withheld.
3. On or before February 28, of the succeeding year, every employer shall file with the Receiver of Earned Income Tax:
 - A. 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 Receiver of Earned Income Tax for the period beginning January 1, of the current year, and ending December 31, of the current year.
 - B. A return withholding statement 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 earned income paid to the employee during said period, the amount of

tax deducted, the political subdivision imposing the tax upon such employee, and the amount of tax paid to the Receiver of Earned Income Tax. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.

4. 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.
5. Except as otherwise provided by the Local Tax Enabling Act 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 was required to withhold to the extent that such taxes have not been recovered from the employee.
6. 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.

§ 24-106. Enforcement. [Ord. 24-66, 10/12/1966, § 6; as amended by Ord. 18-83, 12/22/1983; by Ord. 11-98, 9/23/1998]

1. The Receiver of Earned Income Tax may sue in the name of the City 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 three years after such tax is due, or within three years after the 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:
 - A. Where no return was filed by any person although a return was required to be filed by him under the provisions of this Part, there shall be no limitation.
 - B. Where an examination of the return filed by any person, or of other evidence relating to such return in the possession of the Receiver of Earned Income Tax, reveals a fraudulent evasions of taxes, there shall be no limitation.
 - C. In the case of substantial understatement of tax liability of 25% or more, and no fraud, suit shall be begun within six years.
 - D. Where any person has deducted taxes under the provisions of this Part, and has failed to pay the amounts so deducted to the Receiver of Earned Income Tax, or where any person has willfully failed or omitted to make the deduction required by this Section, there shall be no limitation.

- E. This Section shall not be construed to limit the City from recovering delinquent taxes by any other means provided by the Local Tax Enabling Act.
3. The Receiver of Earned Income Tax may sue for recovery of an erroneous refund provided such suit is begun within 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.

§ 24-107. Interest and Penalties. [Ord. 24-66, 10/12/1966, § 7]

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% 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.

§ 24-108. Fines and Penalties. [Ord. 24-66, 10/12/1966, § 8; as amended by Ord. 35-75, 12/17/1975, § 3; by Ord. 11-98, 9/23/1998]

1. Any person who fails, neglects or refuses to make any 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 Receiver of Earned Income Tax 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 Part, shall, upon conviction thereof, be sentenced to pay a fine of not less than \$5 nor more than \$500 for each offense, and costs and, in default of payment of said fine and costs, to a period of imprisonment not to exceed 30 days.
2. Any person who divulges any information which is confidential under the provisions of this Part shall, upon conviction before any district justice or court of competent jurisdiction, be sentenced to pay a fine of not more than \$500 plus costs, and in default of payment of said fine and costs, to a term of imprisonment not to exceed 30 days.
3. The penalties imposed under this Section shall be in addition to any other penalty imposed by any other Section of this Part.
4. The failure of any person to receive or procure forms required for making the returns required by this Part shall not excuse him from making such returns.

§ 24-109. Authority for Tax. [Ord. 24-66, 10/12/1966, § 9]

This Part is enacted under the authority of the Local Tax Enabling Act, being Act No. 511 of 1965, effective January 1, 1966, and any amendments or supplements thereto.

§ 24-110. Incorporation of Statute. [Ord. 24-66, 10/12/1966, § 10]

The provisions of §§ 13 and 14 of the Local Tax Enabling Act are incorporated herein by reference.

B. Additional Earned Income Tax.**§ 24-111. Imposition of Additional Tax. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 19-79, 12/21/1979, § 1; by Ord. 13-84, 12/19/1984; by Ord. 14-90, 12/27/1990, § 1]**

An earned income tax for general revenue purposes of 1.25% over and above the earned income tax imposed by Ord. 24-66, adopted October 12, 1966, as amended, is hereby imposed annually for general revenue purposes on all earned income, salaries, wages, commissions and other compensation earned on or after January 1, 1991, by residents of the City of Hermitage and on the net profits earned on or after January 1, 1991, of businesses, professions or other activities conducted by such residents of the City of Hermitage.

§ 24-112. Collector of Tax. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

The tax imposed by this Part shall be collected by the Receiver of Earned Income Tax of the City of Hermitage appointed to collect the earned income tax imposed by Ordinance No. 24-66, as amended, and the Receiver of Earned Income Tax shall possess the same power and authority for collection of the tax imposed by this subpart as he possesses to collect the tax imposed by Ordinance No. 24-66, as amended.

§ 24-113. Definitions. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

As used in this Subpart, the following terms shall have the meanings indicated:

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 a 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, wages or compensation paid to persons on active military service, periodic payments for sickness and disability other than regular wages received during a period of sickness, disability or retirement or payments arising under workmen's 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 or payment commonly known as public assistance, or unemployment compensation payments made by any governmental agency or 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.

EMPLOYER — The 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.

RECEIVER OF EARNED INCOME TAX — Person, public employee or private agency designated by the Board of Commissioners 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 taxing district.

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 taxing district.

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.

The singular shall include the plural, and the masculine shall include the feminine and the neuter.

§ 24-114. Returns and Payment of Tax. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

Every person whose earned income or net profits are subject to the tax imposed by this Part shall on or before April 15 of the succeeding year, make and file with the Receiver of Earned Income Tax, on a form prescribed or approved by such Receiver of Earned Income Tax, a final return showing his or her name and address, name and place of his or her business or employment and employer, the aggregate amount of his or her earned income received and net profits earned during the preceding year, the amount of tax due thereon, the amount of like tax paid thereon to any other political subdivision of the Commonwealth of Pennsylvania or elsewhere, the amount of tax thereon that has been withheld at source by the employer, and the balance of tax due, together with such other pertinent information as may be required. Further, at the time of filing such a final return, such person shall pay to the Receiver of Earned Income Tax the tax or balance of tax due. Every taxpayer who discontinues business prior to December 31 of the current year shall within 30 days after the discontinuance of business file his final return as hereinbefore required and pay the tax due.

§ 24-115. Collection at Source. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

1. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the City of Hermitage 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 Receiver of Earned Income Tax his name and address and such other information as the Receiver of Earned Income Tax may require.
2. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the City of Hermitage 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 subpart on the earned income due to his resident employee or employees, and shall, on or before April 30 of the current year, July 31 of the current year and October 31 of the current year and January 31 of the succeeding year, file a return and pay to the Receiver of Earned Income Tax the amount of taxes deducted during the preceding three month periods ending March 31, June 30, September 30 and December 31, respectively. Such return, unless otherwise agreed upon between the Receiver of Earned Income Tax 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 such 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 Receiver of Earned Income Tax to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the Receiver of Earned Income Tax on or before the last day of the month succeeding the month for which the tax was withheld.

3. On or before February 28 of the succeeding year, every employer shall file with the Receiver of Earned Income Tax:
 - A. An annual return showing the total amount of earned income paid under this Part, the total amount of tax deducted and the total amount of tax paid to the Receiver of Earned Income Tax for the paid beginning January 1 of the current year and ending December 31 of the current year.
 - B. A return withholding statement for each such 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 earned income paid to the employee during said period, the amount of tax deducted, the political subdivision imposing the tax upon such employee and the amount of tax paid to the Receiver of Earned Income Tax. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.
4. 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.
5. 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 was required to withhold to the extent that such taxes have not been recovered from the employee.

6. 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.

§ 24-116. Enforcement. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

1. The Receiver of Earned Income Tax may sue in the name of the City of Hermitage 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 three years after such tax is due, or within three years after the 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:
 - A. Where no return was filed by any person although a return was required to be filed by him under the provisions of this Part, there shall be no limitation.
 - B. Where an examination of the return filed by any person, or of other evidence relating to such return in the possession of the Receiver of Earned Income Tax, reveals a fraudulent evasions of taxes, there shall be no limitation.
 - C. In the case of substantial understatement of tax liability of 25% or more, and no fraud, suit shall be begun within six years.
 - D. Where any person has deducted taxes under the provisions of this Part and has failed to pay the amounts so deducted to the Receiver of Earned Income Tax, or where any person has willfully failed or omitted to make the deductions required by this Section, there shall be no limitation.
 - E. This Section shall not be construed to limit the City of Hermitage from recovering delinquent taxes by any other means.
3. The Receiver Earned Income Tax may sue for recovery of an erroneous refund provided such suit is begun within two years after making such refund, except that the suit may be sought within five years if it appears that any part of the refund was induced by fraud or misrepresentation of material fact.

§ 24-117. Interest and Penalties. [Ord. 25-77, 12/22/1977, § 1]

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, said an additional penalty of 0.5% 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 of the costs of collection and the interest and penalties herein imposed.

§ 24-118. Fines and Penalties. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

1. Any person who fails, neglects or refuses to make any 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 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 Part, shall, upon conviction thereof, be sentenced to pay a fine of not less than \$5 nor more than \$500 for each offense plus costs and, in default of payment of said fines and costs, to a term of imprisonment not to exceed 30 days.
2. 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, plus costs and, in default of payment of said fine and costs to a term of imprisonment not to exceed 30 days.
3. The penalties imposed under this Section shall be in addition to any other penalty imposed by applicable law or ordinance.
4. The failure of any person to receive or procure forms required for making the returns required by this Part shall not excuse him from making such return.

§ 24-119. Powers and Duties of Receiver of Earned Income Tax. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

1. It shall be the duty of the Receiver of Earned Income Tax to collect and receive the taxes, fines and penalties imposed by this Part. 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.
2. Bond.
 - A. Each Receiver of Earned Income Tax, before entering upon his official duties, shall give and acknowledge a bond to the political subdivision or political subdivisions appointing him. If such political subdivision or political subdivisions shall by resolution designate any bond previously given by the Receiver of Earned Income Tax as adequate, such bond shall be sufficient to satisfy the requirements of this subsection.

- B. Each 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.
- C. Each bond shall be conditioned upon the faithful discharge by the Receiver of Earned Income Tax, 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 appointing authority or authorities, and shall be for the use of the political subdivision or political subdivisions appointing the Receiver of Earned Income Tax, 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.
- E. The political subdivision or political subdivisions appointing the Receiver of Earned Income Tax, or any person, may sue upon the said bond in its or his own name for its or his own use.
- F. Each such bond shall contain the name or names of the surety company or companies bound thereon. The political subdivisions or political subdivisions appointing the Receiver of Earned Income Tax shall fix the amount of the bond at an amount equal to the maximum amount of taxes which may in the possession of the Receiver of Earned Income Tax at any given time.
- G. The political subdivision or political subdivisions appointing the Receiver of Earned Income Tax may, at any time, upon cause shown and due notice to the Receiver of Earned Income Tax, and his surety or sureties, require or allow the substitution or the addition of a surety company acceptable to such political subdivision or political subdivisions 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.
- H. The political subdivision or political subdivisions appointing the Receiver of Earned Income Tax shall designate the custodian of the bond required to be given by the Receiver of Earned Income Tax.

3. The Receiver of Earned Income Tax charged with the administration and enforcement of the provisions of this Part is hereby empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to any matter

pertaining to the administration and enforcement of this Part, including provisions for the reexamination and correction of declarations and returns and of payments alleged or found to be incorrect, or as to which an overpayment is claimed or found to have occurred, and to make refunds in case 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 Part. No rule or regulation of any kind shall be enforceable unless it has been approved by resolution by the Board of Commissioners. A copy of such rules and regulations currently in force shall be available for public inspection.

4. The Receiver of Earned Income Tax 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 Receiver of Earned Income Tax 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 Receiver of Earned Income Tax 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 Receiver of Earned Income Tax reasonably believes to be an employer or taxpayer is hereby directed and required to give to the Receiver of Earned Income Tax, or to any agent designated by him, the means, facilities and opportunity for such examinations and investigations as are hereby authorized.
6. Any information gained by the Receiver of Earned Income Tax, his agents or by any other official or agent of the taxing district, as a result of any declarations, returns or investigations, hearings or verifications required or authorized by this Part, shall be confidential, except for official purposes and except in accordance with a proper judicial order, or as otherwise provided by law.
7. The Receiver of Earned Income Tax is authorized to establish different filing, reporting and payment dates for taxpayers whose fiscal years do not coincide with the calendar year.

§ 24-120. Compensation of Receiver of Earned Income Tax. [Ord. 25-77, 12/22/1977, § 1; as amended by Ord. 11-98, 9/23/1998]

The Receiver of Earned Income Tax shall receive such compensation for his services and expenses as determined by the City of Hermitage.

PART 2
PER CAPITA TAX

A. Tax Imposed.

§ 24-201. Levy of Tax. [Ord. 12-57, 12/16/1957; as reenacted and amended by Ord. 30-75, 12/17/1975; by Ord. 18-83, 12/22/1983]

A per capita tax of \$5, for general City purposes, is hereby levied and assessed under the authority of The Local Tax Enabling Act of 1965, P.L. 1257, as amended, upon each resident or inhabitant of the City of Hermitage over the age of 18 years, which tax shall be in addition to all other taxes levied and assessed by the said City.

§ 24-202. Collection of Tax. [Ord. 12-57, 12/16/1957; as reenacted and amended by Ord. 30-75, 12/17/1975; by Ord. 18-83, 12/22/1983]

Such tax shall be collected by the duly elected or appointed Treasurer of the City of Hermitage in the same manner and at the same time as other City taxes are collected.

§ 24-203. Treasurer's Bond. [Ord. 12-57, 12/16/1957; as reenacted and amended by Ord. 30-75, 12/17/1975; by Ord. 18-83, 12/22/1983]

The City Treasurer shall give bond secured and conditioned for the collection and payment of such taxes.

§ 24-204. Warrant For Collection. [Ord. 12-57, 12/16/1957, § 4; as reenacted by Ord. 30-75, 12/17/1975; by Ord. 18-83, 12/22/1983]

The entry of the per capita tax in the tax duplicate and the issuance of such duplicate to the City Treasurer shall constitute his warrant for the collection of the per capita tax hereby levied and assessed.

§ 24-205. Treasurer's Compensation. [Ord. 12-57, 12/16/1957, § 5; as reenacted and amended by Ord. 30-75, 12/17/1975; Ord. 18-83, 12/22/1983]

The expense of collection and compensation of the City Treasurer shall be paid and allowed as provided from time to time by the Board of City Commissioners.

§ 24-206. Notice to Taxpayers. [Ord. 12-57, 12/16/1957, § 6; as reenacted by Ord. 30-75, 12/17/1975; as amended by Ord. 18-83, 12/22/1983]

The City Treasurer shall give notice to the taxpayers of the amount of per capita tax due under this Part, at the time and in the same manner as notice is given of real estate taxes.

§ 24-207. Addition of Names to Duplicate. [Ord. 12-57, 12/16/1957, § 7; as reenacted and amended by Ord. 30-75, 12/17/1975; by Ord. 18-83, 12/22/1983]

In case the City Treasurer shall at any time find within the City any resident or inhabitant above the age of 18 years, whose name does not appear upon the tax duplicate, he shall report the name of such person forthwith to the Assessor, who shall thereupon certify the same unto the City Commissioners, who shall promptly certify the same to the City Treasurer reporting such name, whereupon the City Treasurer shall add such name and the assessment of this per capita tax against such person to the duplicate of the City of Hermitage, and shall proceed to collect the same.

§ 24-208. Powers And Duties of Treasurer. [Ord. 12-57, 12/16/1957, § 8; as reenacted and amended by Ord. 30-75, 12/17/1975; by Ord. 18-83, 12/22/1983]

The City Treasurer shall give notice to the taxpayers, shall have the power to collect said taxes by distress, shall have the power and authority to demand and receive said tax from the employer of any person owing any per capita tax, or whose wife owes any per capita tax, shall remit such taxes to the City by separate statement at the same time as other taxes are remitted to the City, and shall allow discounts and add penalties as provided by law.

§ 24-209. Effective Date And Duration. [Ord. 12-57, 12/16/1957, § 10; as reenacted and amended by Ord. 30-75, 12/17/1975]

This Part shall be effective on January 1, 1976, and shall continue thereafter on a calendar-year basis without annual reenactment, unless the rate of tax is subsequently changed.

§ 24-210. Imposition of Additional Per Capita Tax. [Ord. 12-57, 12/16/1957; as added by Ord. 12-86, 12/29/1986]

A per capita tax of \$15 for general revenue purposes over and above the per capita tax imposed by Ordinance 12-57, adopted the December 16, 1957, and as amended annually, for general revenue purposes upon each resident or inhabitant of the City of Hermitage over the age of 18 years, which tax shall be in addition to all other taxes levied and assessed by said City and is imposed as authorized by the Home Rule Charter and Optional Plans Law of April 13, 1972, Act 629, as amended, and the Local Tax Enabling Act of December 31, 1965, Act 511, as amended, and under the authority and powers of the Home Rule Charter of the City of Hermitage.

B. Exemptions.

§ 24-221. Exemptions. [Res. 20-95, 3/6/1995; as amended by Ord. No. 2-2023, 4/26/2023¹]

All persons subject to the tax in this Part whose total gross income from all sources, including, but not limited to, earned income, salaries, wages, rental receipts, dividends, interest, pension, Social Security and annuities, is less than \$12,000 per annum are hereby exempted from paying the City of Hermitage per capita tax for that tax year.

1. Editor's Note: Ordinance No. 4-2023, adopted 9/27/2023, revised the effective date of Ord. No. 2-2023 from 1/1/2024 to seven days after the date of adoption of this ordinance, and shall be effective for all fall 2023 per capita tax payments.

PART 3
REALTY TRANSFER TAX

§ 24-301. Imposition of Tax. [Ord. 7-2015, 12/16/2015;² as amended by Ord. No. 5-2023, 9/27/2023³]

The City of Hermitage hereby adopts the provisions of Article XI-D of the Tax Reform Code of 1971, the Local Real Estate Transfer Tax, 72 P.S. § 8101-D et seq., to impose a tax on all transfers of real property or interests in property located within the City of Hermitage to the extent permitted therein, and which shall be administered, collected and enforced pursuant to the Local Tax Enabling Act, 53 P.S. § 6901 et seq. In accordance with the Local Tax Enabling Act, 53 P.S. § 6924.311, the tax imposed shall be at the rate of 1%, which only may be reduced by 0.5% if the school district in which the subject property is located shall also impose a tax upon the transaction.

§ 24-302. Imposition of additional tax. [Ord. 7-2015, 12/16/2015; as amended by Ord. No. 5-2023, 9/27/2023⁴]

The City of Hermitage hereby adopts the provisions of Article XI-D of the Tax Reform Code of 1971, the Local Real Estate Transfer Tax, 72 P.S. § 8101-D et seq., to impose an additional tax on all transfers of real property or interests in property located within the City of Hermitage to the extent permitted therein, and which shall be administered, collected and enforced pursuant to the Local Tax Enabling Act, 53 P.S. § 6901 et seq., at the rate of 1%, as authorized by the Home Rule Charter and Optional Plans Law of 1972, as amended, 53 Pa.C.S.A. § 2901 et seq. The total tax imposed by §§ 24-301 and 24-302 shall be 2%, which only may be reduced by 0.5% if the school district in which the subject property is located shall also impose a tax upon the transaction.

§ 24-303. Administration of Tax. [Ord. 7-2015, 12/16/2015]

The tax imposed in § 24-301, including all applicable interest, penalties, or other charges authorized by law, shall be administered, collected, and enforced under Act 511 of 1965, as amended, known as the "Local Tax Enabling Act," provided that if the correct amount of tax is not paid by the last date prescribed for timely payment, the City of Hermitage, pursuant to § 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 due.

2. **Editor's Note: This ordinance also repealed former Part 3, Realty Transfer Tax, adopted by Ord. 7-2007, 9/26/2007.**

3. **Editor's Note: This ordinance provided an effective date of 1/1/2024.**

4. **Editor's Note: This ordinance provided an effective date of 1/1/2024.**

§ 24-304. Interest and Penalties.

1. Any tax imposed under § 24-301 that is not paid by the date the tax is due shall bear interest as provided 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.
2. Any failure to pay the tax when due shall also be subject to the civil penalty provisions of § 1112-D of the Tax Reform Code of 1971, 72 P.S. § 81 12-D, or any other applicable section thereof.

§ 24-305. Repealer. [Ord. 7-2015, 12/16/2015]

1. All previous ordinance provisions or resolutions in this Chapter 24, Taxation, Special, Part 3, Realty Transfer Tax, § 24-301 et seq., are hereby repealed effective January 1, 2016.
2. The repealed ordinances, resolutions, or parts thereof enumerated in Subsection 1, remain effective for documents that became subject to tax prior to the effective date of this Part.

§ 24-306. Effective Date. [Ord. 7-2015, 12/16/2015]

The provisions of this Part shall become effective on and be applicable to any document made, executed, delivered, accepted, or presented for recording on or after January 1, 2016.

PART 4
INTERIM REAL ESTATE TAX ASSESSMENTS

§ 24-401. Reassessment of Property. [Ord. 5-78, 2/8/1978, § 1; as amended by Ord. 18-83, 12/22/1983]

Whenever there is in the City of Hermitage any construction of a building or buildings or major improvements thereto not otherwise exempt as a dwelling after January first of any year and a building or an improvement is not included in the tax duplicate of the City, the authority responsible for assessments in the City shall, upon request of the Hermitage Board of Commissioners, direct the assessor to inspect and reassess, subject to the right of appeal and adjustment provided by the Act of Assembly under which assessments are made, all taxable property in the City to which major improvements have been made after January first of any year and to give notice of such reassessment within 10 days to the authority responsible for assessments, the City and the property owner. The property shall then be added to the duplicate and shall be taxable for municipal purposes at the reassessment valuation for that proportionate part of the fiscal year of the Municipality remaining after the property was improved. Any improvement made during the month shall be computed as having been made on the first of the month.

§ 24-402. Notification. [Ord. 5-78, 2/8/1978, § 1]

A certified copy of the additions or revisions to the duplicate shall be furnished by the Hermitage Board of Commissioners to the City Treasurer together with their warrant for collection of the same, and within 10 days thereafter the City Treasurer shall notify the owner of the property of the taxes due the City.

§ 24-403. Assessment to Be Added to Duplicate. [Ord. 5-78, 2/8/1978, § 1]

Whenever an assessment is made for a portion of a year as above provided the same shall be added to the duplicate of the following or succeeding year unless the value of the improvements has already been included in said duplicate.

PART 5
PENALTIES

§ 24-501. Penalties. [Ord. 1-80, 1/9/1980]

All taxpayers who shall fail to make payment of any taxes established by the City of Hermitage charged against them for four months after the date of the tax notice, shall be charged a penalty of 10%, which penalty shall be added to the taxes by the Tax Collector and be collected by the Tax Collector.

PART 6

ECONOMIC REVITALIZATION TAX ASSISTANCE

§ 24-601. Short Title. [Ord. 2-85, 2/6/1985, § 1]

This Part shall be known and may be cited at the "Hermitage Economic Revitalization Tax Assistance Ordinance."

§ 24-602. Definitions. [Ord. 2-85, 2/6/1985, § 1; as amended by Ord. 19-85, 9/11/1985, § 1; as amended by Ord. 11-98, 9/23/1998; by Ord. 18-2003, 10/22/2003; by Ord. 9-2014, 9/24/2014]

As used in this Part:

DETERIORATING AREA — That area in the city bounded and described, generally, as follows:

(1) Ordinance No. 2-85.

A. Area A: Beginning at a point on the Hermitage/Shenango Township boundary line at the intersection of the center line of Broadway Avenue; thence in a westerly direction along the Hermitage/Shenango Township boundary line, a distance of 7,700 feet +/-; thence in a northerly direction along the Hermitage/Wheatland boundary line, a distance of 4,100 feet +/-, to a point on the center line of Broadway Avenue; thence in an easterly direction, along the center line of Broadway Avenue, a distance of 1,100 feet thence in a northerly direction, along the Hermitage/Wheatland boundary line, a distance of 600 feet +/-, to a point on the center line of Reon Street; thence in an easterly direction, a distance of 400 feet +/-, to a point on the center line of Lynnwood Drive; thence in an easterly direction, along the center line of Lynnwood Drive, a distance of 2,000 feet +/-, to the intersection of an unopened street named Satterfield Road; thence in a southerly direction along said Satterfield Road, a distance of 300 feet +/-; thence in an easterly direction, along the north line of land now or formerly of Cooper Jarrett, a distance of 700 feet +/-; thence in a northerly direction a distance of 300 feet +/- to a point on the center line of Lynnwood Drive; thence in an easterly direction, along the center line of Lynnwood Drive, a distance of 1,300 feet +/- to a point at the intersection of Hoezle Road; thence continuing along the center line of Lynnwood Drive in a southeasterly direction, a distance of 1,900 feet +/-, to a point; thence in a northeasterly direction, along a property line of land now or formerly of Quarterson, a distance of 200 feet +/- to a point; thence in a southeasterly direction, along a property line of land now or formerly of Quarterson, a distance of 800 feet +/- to a point on the western boundary of land now or formerly of

Leali Bros. Excavating, Inc.; thence in a southerly direction along the western line of said land of Leali, a distance of 2,500 feet +/- to the point of beginning. (This description includes subsections (C)(1) and (C)(3) in Ord. 2-85.)

B. Area B: Beginning at a point at the intersection of State of Ohio line and the Shenango Township line, which point is the southwest corner of the City of Hermitage; thence in a northerly direction, along the State of Ohio line, a distance of 8,000 feet +/-, to a point at the intersection of the Farrell City line; thence in a southeasterly direction, along a meandering course which corresponds to the Hermitage/Farrell and Hermitage/Wheatland boundary lines, to a point where the Shenango River and the Hermitage/Wheatland boundary line comes closest to Shenango Township; thence due south to a point on the Hermitage/Shenango Township boundary line; thence in a westerly direction, along the Hermitage/Shenango Township boundary line, a distance of 5,600 feet +/- to the point of beginning. (This description includes subsection (C)(2) in Ord. 2-85.)

(2) Ordinance No. 19-85.

A. Beginning at the intersection of the center line of Lynnwood Drive and the center line of Hoezle Road; thence in westerly direction along the center line of Lynnwood Drive, a distance of 1,313 feet +/-; thence in a northerly direction along the east line of land now or formerly of Nathan, a distance of 753 feet +/-; thence in an easterly direction, along the south line of Lot No. Two in the Lewis Haun Subdivision, a distance of 1,311 feet +/- to a point of the center line of Hoezle Road; thence in a southerly direction along the center line of Hoezle Road, a distance of 439 feet +/-; thence in westerly direction, along the north line of Lot No. 1 in the Leali-Haun Subdivision, a distance of 235 feet +/-; thence in a southerly direction along the west line of said Lot No. 1, a distance of 105 feet; thence in a easterly direction, along the south line of said Lot No. 1, a distance of 235 feet to a point on the center line of Hoezle Road, a distance of 375 feet +/- to the point of beginning, and being all the land rezoned from R-1-75 to Light Industrial by Ord. No. 9-85.²

DETERIORATED PROPERTY — Any industrial, commercial, or other business property, excluding property used primarily for residential purposes, owned by any individual, association or corporation, located in a "deteriorating area," as hereinafter defined, or any such property which has

2. **Editor's Note:** Former Subsection 3, which designated all lots in the Planned Technical Park-2 Zoning District within the LindenPointe Planned Technical Park and immediately followed this subsection, was repealed Ord. No. 1-2021, 1/27/2021.

been the subject of an order by a governmental agency requiring such property to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations.

IMPROVEMENTS — Repair, construction or reconstruction, including alterations and additions, having 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. Ordinary upkeep and maintenance shall not be deemed an improvement.

§ 24-603. Exemption. [Ord. 2-85, 2/6/1985, § 1]

There is hereby exempted from real property taxation the assessed valuation of improvements to deteriorated properties in the amounts and in accordance with the provisions and limitations set forth in §§ 24-603 and 24-604.

§ 24-604. Limitations. [Ord. 2-85, 2/6/1985, § 1]

The tax exemption set forth in § 24-602 shall be limited to a tax exemption of the actual cost of the improvements, provided that such improvements are in compliance with all applicable laws, ordinances and regulations during the entire period of exemption.

§ 24-605. Schedule. [Ord. 2-85, 2/6/1985, § 1]

The following schedule of taxes exempted shall apply to all properties satisfying the provisions and limitations hereinbefore and hereafter set forth:

SCHEDULE	
Eligible Tax Year	% of Tax Exemption on Eligible Assessment
1	100%
2	100%
3	100%
4	75%
5	50%
6	25%
7	0

§ 24-606. Applicability. [Ord. 2-85, 2/6/1985, § 1]

1. The exemption herein before authorized shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.
2. The cost of improvements to be exempted in the schedule of taxes existing at the time of the initial request for tax exemption shall be applicable to that

exemption request, and subsequent amendments to this Part, if any, shall not apply to requests initiated prior to the adoption of such an amendment.

§ 24-607. Procedure. [Ord. 2-85, 2/6/1985, § 1]

1. Any person desiring a tax exemption pursuant to this Part shall notify the City Manager, or his authorized designee, at the time such person secures his building permit, or if no building permit or other notification of improvement is required in the particular instance, at the time of commencement of the construction.
2. A copy of such exemption request shall be forwarded by the City to the Mercer County Board of Assessment and Revision of Taxes. Thereafter, such Board shall, after completion of the improvement, assess the improvement separately, calculate the amounts of the eligible assessment for tax exemption in accordance with the limits established in this Part and notify both the taxpayer and the City of the reassessment of the amounts of the assessment eligible for an exemption. Appeals from the reassessment and the amounts eligible for the exemption may be taken by the taxpayer or by the City as provided by general law.
3. The form herein prescribed shall require the following verified information:
 - A. The date the building permit or alteration permit was issued for such improvement, if applicable.
 - B. The type and scope of improvement.
 - C. A summary of the plan of the improvement.
 - D. The estimated cost of the improvement.
 - E. The person or persons performing the work on the improvement.
 - F. The location of the property being improved.
 - G. A statement as to whether or not the property has been condemned by any governmental body for noncompliance with any law or ordinance and, if so, the name of the governmental body and the date of condemnation.
 - H. Any additional information that the County Assessment Office or the City may require for the application of the provisions of this Part.
4. The application requirement set forth in Subsection 1 shall be deemed to be mandatory. Failure of any person desiring a tax exemption to comply with the application requirement contained therein shall be conclusively presumed to be a waiver of any right to claim a real estate exemption as provided by this Part.

PART 7

BUSINESS PRIVILEGE LICENSE FEE AND TAX**§ 24-701. Authority for Enactment. [Ord. 7-89, 5/8/1989, § 2]**

This Part is enacted pursuant to the Home Rule Charter and Optional Plans Law of April 13, 1972, Act 62; the Third Class City Code, Article 19, § 3, § 2601, (53 P.S. § 37601); and under the authority and powers of the Home Rule Charter of the City of Hermitage.

§ 24-702. Definitions. [Ord. 7-89, 5/8/1989, § 2]

1. As used in this Part, the following terms shall have the meanings indicated, unless a different meaning clearly appears from the context:

BUSINESS — Carrying on of sales to persons or exercising of any trade, profession or service or function of any commercial nature within the City of Hermitage. Business shall not include any portion of gross receipts of the business of any political subdivision, of an authority created under an Act of Assembly, or of a nonprofit corporation or association organized for religious, charitable or educational purposes, or any employment for wage or salary.

GROSS RECEIPTS — Cash, credit, property of any kind or nature, received or allocable or attributable to business conducted in the City of Hermitage without deduction therefrom, on account of the cost of property sold, the material used, labor, service or any other cost of doing business. Gross receipts shall exclude:

- A. Receipts for that portion of business attributable to interstate or foreign commerce or to a bona fide office or place of business regularly maintained outside the limits of the City of Hermitage and not for the purpose of evading this tax. Such receipts shall be segregated on the tax return and only that part of receipts attributable to doing business in the City of Hermitage shall be taxed hereunder; provided, the taxpayer shall keep adequate books and records of his business to show clearly accurately and separately the amount of such sales he is entitled to deduct from the gross volume in order to obtain this exclusion.
- B. Receipts from goods and articles manufactured in the City of Hermitage from the by-products of such manufacture, from minerals, timber, natural resources and farm products manufactured, produced or grown in the City of Hermitage, or from preparation and processing thereof, or from any business relating to manufacturing, production, preparation or processing of minerals, timber and natural resources or farm products by manufacturers, producers and farmers with respect to goods, articles and products of their own manufacture, productions of

growth including transportation, loading, unloading, dumping and storage of such goods, articles, products or by-products.

PERSON — Any individual, partnership, association, firm or corporation. Whenever used in any clause prescribing a penalty, the term "person" as applied to partnerships shall mean the partners thereof, and as applied to corporations and associations, shall mean the officers thereof, and if there are no officers, the shareholders thereof. No such tax shall be assessed and collected on a privilege, transaction, subject or occupation which is subject to a State tax or license fee and which tax or license fee has been held by the courts of Pennsylvania to be the basis for exemption from the imposition of a business privilege tax by a municipality.

RETAIL BUSINESS or RETAIL VENDOR — Any vendor who sells to the ultimate consumers of his goods, wares and merchandise.

TAX YEAR — The tax year is the present calendar year from January 1 to December 31, inclusive, in which the filing and payment is required. This filing is based upon business conducted in the previous year.

TAX COLLECTOR — The Manager of the City of Hermitage, or his designee shall be responsible to collect and receive, the forms, fee, tax, fines and penalties imposed by this Part.

VENDOR — Person who, from a store, warehouse, lot or other established place of business in the City of Hermitage, sells merchandise or other tangible personality previously purchased by him, such property being in the same state and condition as when purchased by or for such vendor, or if manufactured by him, being sold from a store or warehouse apart from the manufactory.

WHOLESALE DEALER or WHOLESALE VENDOR — Any vendor who sells to dealers or vendors of goods, wares and merchandise with respect to such goods and to no other person.

2. As used in this Part, the masculine shall include the feminine and neuter.

§ 24-703. Levy and Imposition of Tax. [Ord. 7-89, 5/8/1989, § 2]

For the license year 1987 and thereafter, the City of Hermitage hereby imposes an annual privilege license fee and tax in the amount of \$200 each, annually, upon certain businesses which are carried on or exercised for gain or profit in the City of Hermitage and which have gross receipts in excess of \$50,000 for the period set forth in § 24-104 of this Part, including, but not limited to, the sale of merchandise or other tangible personality, the performance of services, and the rental of personality and/or realty. The businesses which are the subject of this fee and tax shall include, but not limited to professions, photographers, contractors, druggists, peddlers, produce or merchandise vendors, bankers, brokers, undertakers, pawn brokers, warehouses or storage houses or places, parking lot operators, merchants

of all kinds, persons selling or leasing goods upon installments, grocers, confectioners, butchers, wholesale meat dealers, restaurants, billiard parlors, bowling alleys, billiard tables, pool tables, gaming tables and devices, motor buses or taxis transporting passengers for pay or hire within the limits of the City, skating rinks, theaters, all kinds of public exhibitions for pay except those for religious, educational or charitable purposes, lumber dealers, persons who work on commissions and persons who make a business of buying lumber for sale at wholesale or retail, furniture dealers, stationers, jewelers, garage companies, express companies or agencies and golf courses. If any person, firm, or corporation conducts business at more than one location, each business shall be assessed as a separate and independent business.

§ 24-704. Computation of Gross Receipts. [Ord. 7-89, 5/8/1989, § 2]

1. Every person subject to payment of the tax hereby imposed who has commenced business prior to the full calendar year prior to the tax year shall estimate his annual gross receipts upon the actual gross receipts of said immediately preceding calendar year.
2. Every person subject to payment of the tax hereby imposed who has commenced or who commences his business before the beginning of the tax year but after the beginning of the full calendar year prior to the tax year, shall estimate his annual gross receipts upon the gross receipts of the prior calendar year, taking the monthly average during said period and multiplying the same by 12. In the event that he shall be in business fewer than 90 days in the prior calendar year, he shall be permitted to use sufficient days in the calendar year in which the tax year begins to equal 90 successive days after commencement of business, to take a monthly average thereon, and to multiply the average daily by 12.
3. Every person subject to payment of the tax hereby imposed who has commenced or commences his business subsequent to the beginning of the tax year shall estimate his gross receipts for such tax year upon the gross receipts collected during the period from the commencement of his business to the end of the year, taking the monthly average during the first three months of business and multiplying the same by the number of months from the commencement of business to the end of the tax year.
4. In the event that such persons shall be in business fewer than 90 days in the tax year, he shall be permitted to use sufficient days in the next succeeding calendar year to equal 90 successive days after commencement of business to take a monthly average thereon, and to multiply the average by the number of months from the commencement of his business to the end of the tax year.

§ 24-705. Filing of Returns. [Ord. 7-89, 5/8/1989, § 2; as amended by Ord. 1-91, 2/13/1991, § 1]

1. Every return shall be made upon a form furnished by the Tax Collector. Every person making a return shall certify the correctness thereof by affidavit.
2. Every person subject to the tax imposed by this Part who commenced his business on or before January one of the full calendar year previous to the beginning of any tax year shall on or before the April 15 of all tax years file with the tax collector a return setting forth his name, business, business address and other information as may be necessary in arriving at the actual gross receipts of the preceding calendar year.
3. Every person subject to the tax imposed by this Part who has commenced his business before the beginning of any tax year but after January one of the full calendar year previous to the beginning of the tax year shall on or before April 15 of all tax years file with the tax collector a return setting forth his name, business address, and other information as may be necessary in estimating the gross receipts as calculated under § 24-704.2 hereof, and the amount of tax due.
4. Every person subject to the tax imposed by this Part who has commenced or commences his business subsequent to the beginning of the tax year shall on or before April 15 of all tax years, file with the tax collector a return setting forth his name, business address and other information as may be necessary in estimating the gross receipts as calculated under § 24-704.3 hereof, and the amount of tax due; provided, that 100 days have elapsed from the commencement of the business to April 15 of all the tax years. If a taxpayer has not been in business for 100 days as of April 15 of all the tax years, his return shall be filed within 100 days of the commencement of his business.

§ 24-706. Fee And Tax. [Ord. 7-89, 5/8/1989, § 2; as amended by Ord. 1-91, 2/13/1991, § 1]

The payment of the business privilege license tax and fee shall be made and paid on or before April 15 of each year. In the event that the return is filed and the payment of the license fee and tax is made after such date as it is due, the filing of the return and the payment of the license fee and tax shall be subject to a penalty of \$25.

§ 24-707. Duties of The Tax Collector. [Ord. 7-89, 5/8/1989, § 2]

1. The tax collector is charged with the duties of collecting and receiving taxes, fines and penalties imposed by this Part. It shall be his duty to keep a record showing the amount received by him, from whom received, and the date of such receipt.
2. The tax collector and his duly appointed agents are hereby empowered with the approval of the Commissioners of the City of Hermitage to prescribe, adopt and promulgate rules and regulations relating to any matter

pertaining to the administration and enforcement of this Part, including provisions for the examination and correction of returns and payments alleged or found to be incorrect or overpayments claimed or found to have occurred, and charged with enforcing the provisions of this Part and any rules and/or regulations promulgated pursuant hereto.

3. In the event the person to be assessed neglects or refuses to make a return, then in such case the tax collector or his duly appointed agents shall assess said person or persons on such an amount of gross receipts as the said tax collector or his agents deem reasonable and appropriate. In all cases of assessment the tax collector or his duly appointed agents shall give the parties assessed a notice in which shall be stated the trade, business, occupation or class, and the amount of the business privilege tax imposed, and dates on which it is due.
4. The taxpayer shall maintain such records and books of accounts as will enable him to make a true and accurate return in accordance with this Part. Such accounts and records must disclose in detail the gross receipts and other data pertaining to the taxpayer's gross receipts, and must be sufficiently complete to enable the tax collector or his agents to verify all transactions. The tax collector or his agents are hereby authorized to examine the books, papers and records of any person or persons subject to or supposed to be subject to the tax imposed by this Part in order to verify the accuracy of the return made, or if no return was made, ascertain the tax due.
5. Any person aggrieved by any decision of the tax collector shall have the right to appeal to the court of common pleas.
6. The tax collector is hereby authorized to accept payment under protest of the amount of the business privilege tax claimed by the City of Hermitage in any case where the taxpayer disputes the validity or amount of the City of Hermitage's claim for tax. If it is thereafter judicially determined by a court of competent jurisdiction that the City of Hermitage has been overpaid, the amount of the overpayment shall be refunded to the taxpayer. Any action instituted for such judicial determination shall be instituted within two years of the last day of the period for which the tax is disputed or claim made.

§ 24-708. Confidential Nature of Returns, etc. [Ord. 7-89, 5/8/1989, § 2]

Any information gained by the tax collector or any other official, agent or employee of the City of Hermitage, as a result of any returns, investigations, bearings or verifications required or authorized by this Part, shall be confidential, except in accordance with proper judicial order.

§ 24-709. Suit on Collection. [Ord. 7-89, 5/8/1989, § 2]

1. The tax collector or his duly appointed agents shall have the power in the name of the City of Hermitage to institute proceedings against persons who violate the provisions of this Part.
2. If for any reason the tax is not paid when due and 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 interest and penalties herein imposed.

§ 24-710. Penalties. [Ord. 7-89, 5/8/1989, § 2; as amended by Ord. 11-98, 9/23/1998]

Any person, firm or corporation who shall conduct, transact or engage in any of the businesses subject to the tax and fee imposed by this Part, or any person who shall fail to file a tax return as required by the provisions of this Part, or any person who shall fail to pay the required tax when due, or any person who shall willfully file a false return shall, upon conviction thereof, be sentenced to pay a fine of not more than \$600 plus costs and, in default of payment of said fine and costs, to a term of imprisonment not to exceed 30 days. Each day that a violation of this Part continues shall be deemed a separate offense.

PART 8
LOCAL SERVICES TAX

§ 24-801. Authority. [Ord. 6-2011, 12/5/2011]

This Part 8 is enacted under authority of the Local Tax Enabling Act, P.L. 1257, No. 511, December 31, 1965, 53 P.S. § 6901 et seq., as hereafter amended, supplemented, modified, or reenacted by the General Assembly of Pennsylvania.

§ 24-802. Definitions. [Ord. 6-2011, 12/5/2011]

The following words and phrases, when used in this Part 8, shall have the meanings ascribed to them in this section, except where the context or language clearly indicates or requires a different meaning:

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

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

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

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

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

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

NET PROFITS — The net income from the operation of a business, profession, or other activity, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of December 31, 1965, P.L. 1251, § 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, earned on or performed within the corporate limits of the political subdivision for which compensation is charged or received, whether by means of salary, wages, commission or fees for services rendered.

POLITICAL SUBDIVISION — The area within the corporate limits of the City of Hermitage.

TAX — The local services tax, as defined in § 24-803.

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

§ 24-803. Levy of Tax. [Ord. 6-2011, 12/5/2011]

1. For specific revenue purposes, an annual tax is hereby levied and assessed, commencing January 1, 2012, upon the privilege of engaging in an occupation with a primary place of employment within the City of Hermitage during the tax year. Each natural person who exercises such privilege for any length of time during any tax year shall pay the tax for that year in the amount of \$52, assessed on a pro rata basis, in accordance with the provisions of this Part 8.
2. This tax may be used solely for the following purposes, as the same may be allocated by the City of Hermitage from time to time:
 - A. Emergency services, which shall include emergency medical services, police services and/or fire services;
 - B. Road construction and/or maintenance;
 - C. Reduction of property taxes; or
 - D. Property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S.A. Chapter 85, Subchapter F (relating to homestead property exclusion).
3. The political subdivision shall use no less than 25% of the funds derived from the tax for emergency services.
4. This tax is in addition to all other taxes of any kind or nature heretofore levied by the political subdivision.
5. The tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed.

§ 24-804. Exemption and Refunds. [Ord. 6-2011, 12/5/2011]

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

- A. Any person who has served in any war or armed conflict in which the United States was engaged and is honorably discharged or released under honorable circumstances from active service if, as a result of military service, the person is blind, paraplegic or a double or quadruple amputee or has a service-connected disability declared by the United States Veterans' Administration or its successor to be a total one-hundred-percent disability.
- B. Any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year. For the purposes of this subsection, "reserve component of the armed forces" shall mean the United States Army Reserve, United States Navy Reserve, United States Marine Corps Reserve, United States Coast Guard Reserve, United States Air Force Reserve, the Pennsylvania Army National Guard or the Pennsylvania Air National Guard.

2. Procedure to Claim Exemption.

- A. A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with the political subdivision and with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within the political subdivision of less than \$12,000 in the calendar year for which the exemption certificate is filed. In the event that the political subdivision 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 political subdivision 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 political subdivision or except as required by Subsection 2B, the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish each new employee with a form at the time of hiring. The exemption certificate form shall be the uniform form provided by the political subdivision.
- B. With respect to a person who claimed an exemption for a given calendar year from the tax, upon notification to an employer by the person or by the political subdivision that the person has received earned income and net profits from all sources within the political subdivision 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 municipality in an amount equal to or in excess of

\$12,000 in that calendar year, an employer shall withhold the local services tax from the person under Subsection 2C.

- C. If a person who claimed an exemption for a given calendar year from the tax becomes subject to the tax for the calendar year under Subsection 2B, the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification under Subsection 2B, a lump sum equal to the amount of tax that was not withheld from the person due to the exemption claimed by the person under this subsection, plus the per-payroll amount due for that first payroll period. The amount of tax withheld per payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. In the event that 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 political subdivision may pursue collection under this Part 8.
- D. Except as provided in Subsection 2B, 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 the local services tax.

3. Refunds. The City of Hermitage, in consultation with the collector and the 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. 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 City of Hermitage or the collector shall determine eligibility for exemption and provide refunds to exempt persons.

§ 24-805. Duty of Employers to Collect. [Ord. 6-2011, 12/5/2011]

- 1. Each employer within the political subdivision, as well as those employers situated outside the political subdivision but who engage in business within the political subdivision, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within the political subdivision and making a return and payment thereof to the collector. Further, each employer is hereby authorized to deduct this tax for 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 political subdivision.

2. A person subject to the tax shall be assessed by the employer a pro rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro rata share of the tax assessed on the person for a payroll period shall be determined by dividing the rate of the tax levied for the calendar year by the number of payroll periods established by the employer for the calendar year. For purposes of determining the pro rata share, an employer shall round down the amount of the tax collected each payroll period to the nearest one-hundredth of a dollar. Collection of the tax shall be made on a payroll-period basis for each payroll period in which the person is engaging in an occupation, except as provided in Subsection 4 of this section. For purposes of this subsection, "combined rate" shall mean the aggregate annual rate of the tax levied by the school district and the municipality.
3. No person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll period.
4. In the case of concurrent employment, an employer shall refrain from withholding the tax if the employee provides a recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of the tax withheld and a statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in principal place of employment within two weeks of its occurrence. The employee's statement shall be provided on the form approved by the DCED.
5. The tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. The political subdivision shall provide a taxpayer a receipt of payment upon request by the taxpayer.
6. No employer shall be held liable for failure to withhold the tax or for the payment of the withheld tax money to the political subdivision 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 § 24-804, Subsection 2, of this Part 8 and this section and remits the amount so withheld in accordance with this Part 8.
7. Employers shall be required to remit the local services taxes 30 days after the end of each quarter of a calendar year.

§ 24-806. Returns. [Ord. 6-2011, 12/5/2011]

Each employer shall prepare and file a return showing a computation of the tax on forms to be supplied to the employer by the collector. If an employer fails to file the return and pay the tax, whether or not the employer makes collection thereof from the salary, wages or commissions paid by him or her to an employee, except as

provided hereafter in this Part 8, the employer shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer.

§ 24-807. Dates for Determining Tax Liability and Payment. [Ord. 6-2011, 12/5/2011]

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

§ 24-808. Self-Employed Individuals. [Ord. 6-2011, 12/5/2011]

Each self-employed individual who performs services of any type or kind or engages in any occupation or profession with a primary place of employment within the political subdivision shall be required to comply with this Part 8 and pay the pro rata portion of the tax due to the collector on or before the 30th day following the end of each quarter.

§ 24-809. Individuals Engaged in More Than One Occupation or Employed in More Than One Political Subdivision. [Ord. 6-2011, 12/5/2011]

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

§ 24-810. Nonresidents Subject to Tax. [Ord. 6-2011, 12/5/2011]

All employers and self-employed individuals residing or having their places of business outside of the political subdivision but who perform services of any type or kind or engage in any occupation or profession within the political subdivision do, by virtue thereof, agree to be bound by and subject themselves to the provisions, penalties and regulations promulgated under this Part 8 with the same force and effect as though they were residents of the political subdivision. Further, any

individual engaged in an occupation within the political subdivision and an employee of a nonresidential employer may, for the purpose of this Part 8, be considered a self-employed person; and in the event his or her tax is not paid, the political subdivision shall have the option of proceeding against either the employer or employee for the collection of this tax as hereinafter provided.

§ 24-811. Administration of Tax. [Ord. 6-2011, 12/5/2011]

1. The collector shall be appointed by resolution of the political subdivision. It shall be the duty of the collector to accept and receive payments of this tax and to keep a record thereof, showing the amount received by him from each employer or self-employed person, together with the date the tax was received.
2. The collector is hereby charged with the administration and enforcement of this Part 8 and is hereby charged and empowered, subject to municipal approval, to proscribe, adopt and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this Part 8, including provisions for the examination of payroll records of any employer subject to this Part 8, the examination and correction of any return made in compliance with this Part 8, 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 consistent with the Local Taxpayers Bill of Rights under Act 50 of 1998 and Part 9 of this chapter.
3. The collector is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer or, if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the collector the means, facilities and opportunity for such examination.

§ 24-812. Suits for Collection. [Ord. 6-2011, 12/5/2011]

1. In the event that any tax under this Part 8 remains due or unpaid 30 days after the due dates above set forth, the collector may sue for the recovery of any such tax due or unpaid under this Part 8, together with interest and penalty.
2. If for any reason the tax is not paid when due, interest at the rate of 6% on the amount of such tax shall be calculated, beginning with the due date of the tax, and an additional penalty of 5% shall be added to the flat rate of such tax for nonpayment thereof. Where suit is brought for the recovery of this tax or other appropriate remedy undertaken, the individual liable therefor shall, in addition, be responsible and liable for the costs of collection.

§ 24-813. Violations and Penalties. [Ord. 6-2011, 12/5/2011]

Whoever makes any false or untrue statement on any return required by this Part, or whoever refuses inspection of the books, records or accounts in his or her custody and control setting forth the number of employees subject to this tax who are in his or her employment, or whoever fails or refuses to file any return required by this Part 8 shall be guilty of a violation and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$600 and costs of prosecution, and, in default of payment of such fine and costs, to imprisonment for not more than 30 days. The action to enforce the penalty herein prescribed may be instituted against any person in charge of the business of any employer who shall have failed or who refuses to file a return required by this Part 8.

§ 24-814. Interpretation. [Ord. 6-2011, 12/5/2011]

1. Nothing contained in this Part 8 shall be construed to empower the political subdivision to levy and collect the tax hereby imposed on any occupation not within the taxing power of the political subdivision under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.
2. If the tax hereby imposed under the provisions of this Part 8 shall be held by any court of competent jurisdiction to be in violation of the Constitution of the United States or of the laws of the Commonwealth of Pennsylvania as to any individual, the decision of the court shall not affect or impair the right to impose or collect said tax or the validity of the tax so imposed on other persons or individuals as herein provided.

PART 9
TAXPAYERS BILL OF RIGHTS

A. Taxpayers Bill of Rights.

§ 24-901. Rules and Regulations. [Ord. 5-99, 3/24/1999, § 1]

The rules and regulations attached hereto as Exhibit "A" and incorporated herein are hereby approved and adopted.

§ 24-902. Disclosure Statement. [Ord. 5-99, 3/24/1999, § 2]

The disclosure statement, substantially in the form set forth in Exhibit "B" attached hereto and incorporated herein, is hereby approved and adopted.

§ 24-903. Petition for Appeal and Refund. [Ord. 5-99, 3/24/1999, § 3]

The form of petition for appeal and refund, substantially in the form set forth in Exhibit "C" attached and incorporated herein, is hereby approved and adopted.

§ 24-904. Administrative Appeal Procedure. [Ord. 5-99, 3/24/1999, § 4]

The governing body hereby determines that administrative appeal procedures relating to petitions for appeal and refund submitted by taxpayers in connection with the assessment, determination or refund of an eligible tax under the LTBR shall be undertaken by a hearing officer.

§ 24-905. Hearing Officer. [Ord. 5-99, 3/24/1999, § 5]

The governing body shall determine the qualifications of such hearing officer, and compensation, if any, and shall appoint the hearing officer at a public meeting.

§ 24-906. Incorporation by Reference. [Ord. 5-99, 3/24/1999, § 6]

The administrative appeal procedures set forth in the rules and regulations and substantially in the form set forth in Exhibit "D" attached hereto and incorporated herein, are hereby approved and adopted.

B. Rules and Regulations for Compliance with the Local Taxpayers Bill of Rights.

§ 24-911. Introduction. [Ord. 5-99, 3/24/1999, Exhibit A]

The Local Taxpayers Bill of Rights, enacted as part of Act 50 of 1998 (hereinafter the "LTBR"), requires that every political subdivision levying an eligible tax adopt regulations governing the administration and collection of the tax, and setting forth a process for handling appeals from decisions on assessments and refunds. This document provides the regulations required by LTBR. The disclosure statement also

required by the LTBR is provided in a separate document, which is available upon request of the tax administrator.

§ 24-912. Definitions. [Ord. 5-99, 3/24/1999, Exhibit A]

As used in this Subpart, the following terms shall have the meanings indicated:

ASSESSMENT — The determination by the tax administrator of the amount of underpayment by a taxpayer.

ELIGIBLE TAX — Any of the following taxes specified within the term "eligible tax" under the LTBR, including interest and penalties provided by law, when levied by the governing body of the local government, but specifically not including any real estate tax:

- A. Any tax authorized or permitted under the Act of December 31, 1965 (P.L. 1257, No. 511), known as the Local Tax Enabling Act or Act 511.
- B. Any per capita tax.
- C. Any occupation, occupation assessment or occupation privilege tax.
- D. Any tax levied on income.
- E. Any tax measured by gross receipts.
- F. Any tax on a privilege.
- G. Any tax on amusements or admissions.
- H. Any tax on earned income and net profits.

HEARING OFFICER — The hearing officer appointed by the local government to administrative appeals regarding an eligible tax.

LOCAL GOVERNMENT — City of Hermitage/Hermitage School District.

LOCAL TAXPAYERS BILL OF RIGHTS — Subchapter C of Act 50 of 1998 of the Pennsylvania General Assembly, 53 Pa.C.S.A. §§ 8421-8428.

OVERPAYMENT — Any payment of tax which is determined in the manner provided by law not to be legally due.

PETITION — The petition for appeal and refund described in § 24-915.

TAX ADMINISTRATOR — The employee, agent, appointed tax collector, elected tax collector, tax collection agency or other person to whom the governing body of the local government has assigned or delegated responsibility for the audits, assessment, determination or administration of an eligible tax. Under the LTBR, this tax administrator is also referred to and defined as the local taxing authority. In the case of the local government, the tax administrator is the receiver of taxes for the City of Hermitage/Hermitage School District.

TAXPAYER — An individual, partnership, association, corporation, limited liability company, estate, trust, trustee, fiduciary or any other entity subject to or claiming exemption from any eligible tax or under a duty to perform an act for itself or for another under or pursuant to the authority of an eligible tax levied by the local government.

UNDERPAYMENT — The amount or portion of any eligible tax determined to be legally due in the manner provided by law for which payment or remittance has not been made.

VOLUNTARY PAYMENT — A payment of an eligible tax made pursuant to the free will of the taxpayer. The term does not include a payment made as a result of distress or levy or pursuant to a legal proceeding in which the tax administrator is seeking to collect its delinquent eligible taxes or file a claim therefor.

§ 24-913. Requirements for Request for Taxpayer Information. [Ord. 5-99, 3/24/1999, Exhibit A, § 101]

1. Minimum Time Period for Taxpayer Response.
 - A. The taxpayer shall have at least 30 calendar days from the mailing date to respond to requests for information by the tax administrator. The tax administrator shall grant a reasonable extension upon written application explaining the reason(s) necessitating the extension, which must amount to good cause. If the tax administrator denies a request for extension, the tax administrator must inform the taxpayer in writing of the basis for the denial and that the taxpayer must immediately provide the requested information. If the tax administrator grants an extension request, he must notify the taxpayer in writing of the amount of extension granted. Generally, an extension will not exceed 30 calendar days in length, and may be less, depending on the circumstances.
 - B. The tax administrator shall notify the taxpayer of the procedures to obtain an extension in its initial request for information. Please refer to the notice explaining the request for extension of time to provide information attached as Schedule 1.
 - C. The tax administrator shall take no lawful action against a taxpayer for the tax year in question until the expiration of the applicable response period for submission of the information requested, including extensions. For example, the tax administrator may not engage in any collection effort until after the expiration of the response period. After expiration of the response period, the tax administrator may engage in collection efforts permitted by the LTBR and discussed in § 24-923 below.
2. Requests for Prior Year Tax Returns.

- A. Except as provided in Subsection 2B, an initial inquiry by the tax administrator 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 three years prior to the mailing date of the notice.
- B. The tax administrator may make an additional subsequent request for a tax return or supporting information if, after the initial request, the tax administrator determines that the taxpayer failed to file a tax return, under reported income or failed to pay a tax for one or more tax periods covered by the initial request. Generally, however, the tax administrator should not make routine requests for additional prior year returns.
- C. Notwithstanding the foregoing, the limitations in Subsection 2B above, subsequent requests for prior year return shall not apply if the tax administrator has sufficient information to indicate that the taxpayer failed to file a required return or to pay an eligible tax which was due more than three years prior to the date of the notice. Thus, in situations involving failure to file a required return or to pay a required eligible tax, the tax administrator shall, in his discretion, have the ability to request prior year returns due more than three years prior and supporting information.
- D. Use of Federal or State Tax Information. The tax administrator may require a taxpayer to provide copies of the taxpayer's Federal individual income tax return if the tax administrator can demonstrate that the Federal tax information is reasonably necessary for the enforcement or collection of tax and the information is reasonably necessary for the enforcement or collection of tax and the information is not available from other available sources or the Pennsylvania Department of Revenue. The tax administrator may also require a taxpayer to provide copies of the taxpayer's State individual income tax return.

§ 24-914. Notice of Basis of Underpayment. [Ord. 5-99, 3/24/1999, Exhibit A, § 102]

The tax administrator must notify the taxpayer in writing of the basis for any underpayment that the tax administrator has determined to exist with respect to any eligible tax. The purpose of this notification is for the taxpayer to understand the exact reason why the tax administrator shall be written in a manner calculated to be understood by an average person. The notification must include:

- A. The tax period or periods (usually measured in calendar years) for which the underpayment.
- B. The amount of the alleged underpayment of the eligible tax detailed by tax period.

- C. The legal basis (including any statutory or case law citations) upon which the tax administrator has relied to determine that an underpayment of an eligible tax exists.
- D. An itemization of the changes made by the tax administrator to a return or report filed by the taxpayer that results in the determination that an underpayment exists. A copy of any revised return or report in the tax administrator's file must be provided to the taxpayer.

§ 24-915. Petitions For Appeals of Assessment or Refund of Taxes Paid. [Ord. 5-99, 3/24/1999, Exhibit A, § 103]

- 1. Filing of Petitions.
 - A. A taxpayer has the legal right to challenge an assessment or denial of a refund claim under the LTBR. However, a taxpayer has a right to one appeal only. If a taxpayer loses an assessment appeal, the taxpayer is not entitled to a second refund appeal after paying the tax. In addition, no administrative appeals are provided for other decisions, including but not limited to the denial of an extension of time to provide information or the modification or termination of an installment agreement.
 - B. The LTBR requires political subdivisions to establish appeals procedures. In order to begin the appeals process, the taxpayer must file a complete and timely petition (the "petition"). A petition is timely filed if the letter transmitting the petition is post marked by the United States Postal Service or actually received on or before the final day on which the petition is due. Receipts from carriers other than the United States Postal Service are not accepted as proof of timely filing. Deadlines for filing a petition are as follows:
 - (1) Petitions challenging the denial of a refund shall be filed within three years after the due date for filing the report or return as extended or one year after actual payment of the tax, whichever is later. If no report or return is required, the petition shall be filed within three years after the due date for payment of the eligible tax or within one year after actual payment, whichever is later.
 - (2) Petitions for reassessment of tax shall be filed within 90 days of the date of the assessment notice which has been sent to the taxpayer by the tax administrator.
- 2. The tax administrator shall make available a form of petition for appeal and refund attached as Schedule "2."
- 3. Contents. Any petition filed under Subsection 1A shall:

- A. State the legal basis for claiming the refund or disagreeing with the tax administrator's assessment.
- B. State the tax period or periods (i.e., years) to which it pertains.
- C. State the amount of the claim and the type of eligible tax detailed by tax period.
- D. Include all supporting documentation and calculations.
- E. Provide the name, address and telephone number of the taxpayer's representative, if any.
- F. Include a statement certifying that the facts in the petition are true and correct, under penalty of perjury and that the petition is not filed for purposes of delay.
- G. Include such other information (essentially identification) as is reasonably requested by the tax administrator on the petition for appeal and refund provided to taxpayer.

4. Hearing/Appeal on Record. The taxpayer shall have the right to request a hearing in person or based on the petition and record (including information on file or information submitted by taxpayer). A hearing based only on the petition and record will not include any in person hearing or oral arguments. The hearing office shall have the right to deny an oral hearing and/or oral argument where the taxpayer has submitted an incomplete petition, or where the hearing officer has determined that the appeal is frivolous, undertaken only for purpose of delay, or otherwise without merit. If an oral hearing is denied, the hearing officer shall notify the taxpayer in writing of the denial and the basis for the denial.

§ 24-916. Appeals Board/Hearing Officer. [Ord. 5-99, 3/24/1999, Exhibit A, § 104]

- 1. Any taxpayer filing a petition under § 24-915 shall be entitled to a hearing and decision by the hearing officer subject to a request for hearing and the failure to deny the request for hearing. Decision on petitions shall be issued within 60 days of the date a complete and accurate petition is received. If the hearing officer does not act within 60 days the petition shall be deemed approved.
- 2. Any person aggrieved by a decision under this Section who has direct interest in the decision shall have the right to appeal to the court of common pleas of the County of Mercer vested with the jurisdiction of local tax appeals by or pursuant to 42 Pa.C.S.A. § 5571(b).
- 3. Decision by the hearing officer shall be made according to principles of law.

§ 24-917. Conduct of Hearings. [Ord. 5-99, 3/24/1999, Exhibit A, § 105]

1. A taxpayer may or may not choose to be represented by a taxpayer representative. The taxpayer representative may be a lawyer, certified public accountant, accountant or other tax advisor possessing appropriate tax training to represent taxpayers in tax appeals. The taxpayer must submit a written authorization to use a taxpayer representative. However, a simple letter signed by a taxpayer authorizing representation will be accepted as authorization. Such authorization shall include the representative's name, address and telephone number.
2. Copies of notices or communications may be sent by the tax administrator or other representative of the political subdivision to the taxpayer's representative. However, the original notice or communications will always be sent directly to the taxpayer. Action taken by the taxpayer's authorized representative (for example, requesting an extension of time or submitting factual information) shall have the same force or effect as if taken directly by the taxpayer.
3. Reasonable notice of the hearing date will be provided to the taxpayer by the hearing officer. The notice shall provide the date, time and place of a hearing.
4. The hearing officer may grant a taxpayer's written request for a continuance of a hearing. A request for continuance shall be granted only if supported by written reasons, and for good cause. A request for continuance must be received at least five days before the scheduled hearing date.
5. The hearing officer shall preside and keep order over any scheduled hearing. Hearings need not adhere to any technical rules of evidence, but oral testimony shall be taken under oath or affirmation. At the discretion of the hearing officer, deposition or affidavits may be used in lieu of oral testimony.
6. The hearing officer shall have the authority to take the following actions:
 - A. Delegate the hearing schedule to an employee, agent or other designee.
 - B. Regulate the conduct of hearings, including but not limited to, scheduling, timing, recesses, reconvening, adjournment and any other acts necessary for the efficient conduct of a hearing.
 - C. Administer oaths and affirmations.
 - D. Receive evidence.
 - E. Permit reasonable examination and cross-examination of witnesses.
 - F. Require the production of written evidence such as books, records, documents and any other pertinent information.

7. The hearing officer's final decision shall be in writing and signed by the hearing officer. The final decision shall be mailed to the taxpayer, with a copy also mailed to the taxpayers authorized representative (if any).

§ 24-918. Refunds. [Ord. 5-99, 3/24/1999, Exhibit A, § 106]

1. A taxpayer who has paid an eligible tax may file a written request for refund or credit. A request for refund shall be made within three years of the due date, as extended, for filing the report or tax return, or one year after actual payment of the tax, whichever is later. If no report is required, the request shall be made within three years after the due date for payment of the tax or within one year after actual payment of the tax, whichever is later.
2. A tax return filed by the taxpayer showing an overpayment shall be deemed to be a written request for a cash refund unless otherwise indicated on the tax return.
3. A request for refund under this Section shall not be considered a petition under § 24-915 and shall not preclude a taxpayer from submitting a petition under § 24-915.
4. For amounts paid as a result of a notice asserting or informing a taxpayer of an underpayment, a written request for refund shall be filed within one year of the date of payment.

§ 24-919. Disclosure Statement And Taxpayer Notice. [Ord. 5-99, 3/24/1999, Exhibit A, § 107]

Any taxpayer contacted by the tax administrator regarding the assessment, audit, determination, review or collection of an eligible tax will receive a taxpayer notice. The notice shall be incorporated into any other correspondence sent to a taxpayer by the tax administrator regarding the assessment, audit, determination, review or collection of tax. The notice shall be substantially in the following form:

You are entitled to receive a disclosure statement that sets forth a written explanation of your rights with regard to the assessment, audit, determination, review, appeal, enforcement, refund and collection of local taxes by calling the receiver of taxes at (724) 981-8132 during the hours of 8:00 a.m. and 4:30 p.m. on any weekday other than a holiday.

You may request a copy in person, by telephone or by mailing a request to the following address:

900 North Hermitage Road
Hermitage, PA 16148

The disclosure statement will be made available to taxpayers upon request at no charge to the taxpayer, including mailing costs. In general, the tax administrator will make reasonable efforts to supply all taxpayers with a copy of the disclosure statement.

§ 24-920. Interest on Overpayment. [Ord. 5-99, 3/24/1999, Exhibit A, § 108]

1. General Rule. All overpayments of an eligible tax made to the local government shall bear simple interest from the date of overpayment of such eligible tax until the date of resolution.
2. Interest Rate. Interest on overpayments shall be paid at the same rate as the Commonwealth of Pennsylvania is required to pay pursuant to § 806.1 of the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code (72 P.A. § 1 et seq.). As of December, 1998, this interest rate is currently 9% annually (0.00247% daily).
3. Exceptions to Payment of Interest.
 - A. No interest shall be paid if an overpayment is refunded or applied against any other eligible tax, interest or penalty due to the local government within 75 days after the last date prescribed for filing the report or tax return of the tax liability or within 75 days after the date the return or report of the liability due is filed, whichever is later.
 - B. Interest is not required to be paid on taxpayer overpayments of interest or a penalty(ies).
4. Acceptance of Refund Checks. The taxpayer's acceptance of a refund check from the tax administrator or political subdivision shall not prejudice any right of the taxpayer to claim any additional overpayment and interest thereon. Tender of a refund check by the local government shall be deemed to be acceptance of the check by the taxpayer for purposes of this subsection.
5. Definitions. As used in this Section, the following words and phrases shall have the meanings given to them in this subsection:

DATE OF OVERPAYMENT — The later of the date or the date the tax is deemed to have been overpaid as follows:

- A. Any tax actually deducted and withheld at the source shall be deemed to have been overpaid on the last day for filing the report for the tax period, determined without regard to any extension of time for filing.
- B. Any amount overpaid as estimated tax for the tax period shall be deemed to have been overpaid on the last day for filing the final report for the tax period, determined without regard to any extension of time for filing.
- C. An overpayment made before the last day prescribed for payment shall be deemed to have been paid on the last day.
- D. Any amount claimed to be overpaid with respect to which a lawful administrative review or appellate procedure is initiated shall be deemed to have been overpaid 60 days following the date of initiation of the review or procedure.

E. Any amount shown not to be due on an amended income or earned income and net profits tax return shall be deemed to have been overpaid 60 days following the date of filing of the amended income tax return.

DATE OF RESOLUTION — The date the overpayment is refunded or credited as follows:

- A. For a cash refund, a date preceding the date of the refund check by not more than 30 days.
- B. For a credit for an overpayment:
 - (1) The date of the tax administrator's notice to the taxpayer of the determination of the credit.
 - (2) The due date for payment of the eligible tax against which the credit is applied, whichever first occurs. For a cash refund of a previously determined credit, interest shall be paid on the amount of the credit from a date 90 days after the filing of a request to convert the credit to a cash refund to a date preceding the date of the refund check by not more than 30 days, whether or not the refund check is accepted by the taxpayer after tender.

§ 24-921. Abatement of Certain Interests And Penalty. [Ord. 5-99, 3/24/1999, Exhibit A, § 109]

1. **Errors and Delays.** The purpose of this provision is to provide, in the discretion of the tax administrator, a mechanism to abate (i.e., reduce) interest and/or penalties where an underpayment is the result of an error or delay in performance by a representative of the tax administrator. Accordingly, in the case of any underpayment, the tax administrator, in its discretion, may offer to abate all or any part of the interest relating to an eligible tax for any period.
 - A. Any underpayment of an eligible tax finally determined to be due, which is attributable in whole or in part to any error or delay by the tax administrator in the performance of a ministerial act. For purposes of this subsection, an error or delay shall be taken into account only if no significant aspect of the error or delay can be attributed to the taxpayer and after the tax administrator has contacted the taxpayer in writing with respect to the underpayment of tax finally determined to be due or payable.
 - B. Any payment of an eligible tax to the extent that any error or delay in the payment is attributable to an officer, employee or agent of the tax administrator being erroneous or dilatory in performance of a ministerial act.
 - C. The tax administrator shall determine what constitutes timely performance of ministerial acts performed under Subsection 1A.

2. Abatement of any Penalty or Excess Interest Due to Erroneous Written Advice by the Tax Administrator. The tax administrator shall abate any portion of any penalty or excess interest attributable to erroneous advice furnished to the taxpayers in writing by an officer, employee or agent of the tax administrator acting in the officer's, employee's or agent's official capacity if:
 - A. The written advice was reasonably relied upon by the taxpayer and was in response to a specific written request of the taxpayer.
 - B. The portion of the penalty or addition to or excess interest did not result from a failure by the taxpayer to provide adequate or accurate information to the tax administrator.
 - C. Notwithstanding the foregoing, it shall be in the sole discretion of the tax administrator whether or not to provide written tax advice to a taxpayer. Taxpayers shall not have any right to compel the tax administrator to provide written tax advice.

§ 24-922. Application of Payments. [Ord. 5-99, 3/24/1999, Exhibit A, § 110]

Unless otherwise specified by the taxpayer, all voluntary payments of an eligible tax shall be prioritized by the tax administrator in the following order:

- A. Tax.
- B. Interest.
- C. Penalty.
- D. Any other fees or charges.

§ 24-923. Installment Agreements. [Ord. 5-99, 3/24/1999, Exhibit A, § 111]

The tax administrator has the discretion to enter into written agreements with any taxpayer under which the taxpayer is allowed to satisfy liability for tax in installment payments if the tax administrator determines that the installment agreement will facilitate collection:

- A. Extent to Which Installment Agreements Remain in Effect.
 - (1) Except as otherwise provided in this subsection, any installment agreement entered into by the tax administrator under this Section shall remain in effect for the term of the agreement.
 - (2) The tax administrator may terminate any prior installment agreement entered into this Section if:
 - (a) Information which the taxpayer provided to the tax administrator prior to the date of the installment agreement was inaccurate, false, erroneous or incomplete in any manner,

determined in the reasonable discretion of the tax administrator.

- (b) The tax administrator reasonably believes and has determined that collection of the eligible tax under the installment agreement is in jeopardy.
- (3) If the tax administrator finds that the financial condition of the taxpayer has significantly changed, the tax administrator may unilaterally alter, modify or terminate the installment agreement, but only if the following conditions are satisfied:
 - (a) The tax administrator provides a notice of its findings to the taxpayer no later than 30 days prior to the date of change of the installment agreement.
 - (b) The notice given by the tax administrator to the taxpayer provides the reasons why the tax administrator believes that a significant changes, justifying a change to the installment agreement, has occurred.
- (4) The tax administrator may unilaterally and without notification alter, modify or terminate an installment agreement entered into by the tax administrator under this Section if the taxpayer fails to do any of the following:
 - (a) Pay an installment at the time it is due under the installment agreement.
 - (b) Pay any other liability relating to an eligible tax at the time the liability is due.
 - (c) Provide a financial condition update as request by the tax administrator.
- (5) No administrative appeal is permitted in the event of an alteration, modification or termination of an installment agreement. However, an appeal may be made to the court of common pleas of this county.

B. Prepayment Permitted. Nothing in this Section shall prevent a taxpayer from prepaying in whole or in part any eligible tax under any installment agreement with the tax administrator.

§ 24-924. Confidentiality of Tax Information. [Ord. 5-99, 3/24/1999, Exhibit A, § 112]

1. Any information obtained by the tax administrator or hearing officer or any of their respective officers, agents, legal counsel, financial accountants or employees as a result of any audit, assessment, return, report, investigation, hearing, appeal or verification of a taxpayer shall be confidential tax

information. It shall be unlawful, except for official purpose or as provided by law, for such persons to:

- A. Divulge or make known in any manner any confidential information obtained through any audit, return, assessment, investigation, report, appeal, hearing or verification of a taxpayer to any person other than the taxpayer or the taxpayer's authorized representative.
- B. Permit confidential tax information or any book containing any abstract or particulars thereof to be seen or examined by any person other than the taxpayer or the taxpayer's authorized representative.
- C. Print, publish or make known in any manner any confidential tax information of a taxpayer.

2. An offense under this Section is a misdemeanor of the third degree and, upon conviction thereof, a fine of not more than \$2,500 and costs, or a term of imprisonment for not more than one year or both, may be imposed on the offender. If the offender is an officer or employee of the tax administrator or the hearing officer, the office or employee shall be dismissed from office or discharged from employment.

§ 24-925. Collections. [Ord. 5-99, 3/24/1999, Exhibit A, § 113]

If after the decision of an appeal, or if no appeal is requested by a taxpayer, the tax administrator may engage in efforts to collect any eligible tax determined to be legally due. Such efforts may include, but shall not be limited to, obtaining additional information, auditing taxpayer records, compromising the amount of tax, interest or penalty owned, obtaining liens on the taxpayer's property or obtaining wage attachments, levies and seizures of the taxpayer's property. As provided in § 24-923 of these regulations, the tax administrator may enter into a written installment agreement with the taxpayer if the tax administrator determines that an installment agreement will facilitate collection. The tax administrator also reserves the right to seek criminal prosecution of a taxpayer in appropriate circumstances.

C. Disclosure Statement Under the Local Taxpayers Bill of Rights.

§ 24-931. Disclosure Statement Under The Local Taxpayers Bill of Rights. [Ord. 5-99, 3/24/1999, Exhibit B]

1. It is the obligation of all taxpayers to file all local tax returns voluntarily and pay all local taxes to which they are subject. However, when the duly appointed or elected tax collector or tax collection agency for the municipality and/or school district in which the taxpayer resides determines that a required return has not been filed, or a tax liability has not been paid, the Local Taxpayers Bill of Rights grants certain legal rights to taxpayers and imposes obligations on taxing authorities to ensure that equity and fairness guide local governments in collection of taxes. In addition, the Local

Taxpayers Bill of Rights provides the local government entity with certain legal methods to enforce taxpayer obligations. This disclosure statement set forth your rights as a taxpayer in connection with any audit, examination, appeal or refund claim of taxes for the City of Hermitage/Hermitage School District and any enforcement or collection actions taken by the Hermitage Wage Office on behalf of the City of Hermitage/Hermitage School District.

2. **Applicability/Eligible Taxes.** This disclosure statement applies to all eligible taxes levied by the City of Hermitage/Hermitage School District. For this purpose, eligible taxes do not include real property taxes. The specific eligible tax(es) levied by the City of Hermitage/Hermitage School District include all taxes levied under the local Tax Enabling Act (Act 511), as well as any per capita, occupation, occupation assessment, occupational privilege, income, gross receipts, privilege, amusement, admission, earned income or net profits tax. Unless expressly provided in the Local Taxpayers Bill of Rights, the failure of any person acting on behalf of the tax administrator to comply with any provisions of this disclosure statement, related regulations or the Local Taxpayers Bill of Rights will not excuse the taxpayer from paying the taxes owned.
3. **Audit/or Examinations.** If we contact you about your tax return or payment of any eligible taxes, we will send you a letter with either a request for more information or a reason why we believe a change to your return or taxes may be needed. If we request information, you will have 30 calendar days from the date of the mailing to respond. Reasonable extensions of such time will be granted upon application for good cause. We will notify you of the procedures to obtain an extension with our initial request for tax information. Our initial inquiry may include taxes required to be paid or tax returns required to be filed no more than three years prior to the mailing date of our notice. If you give us the requested information or provide an explanation, we may or may not agree with you. If we do not agree with you, we will explain in writing our reasons for asserting that you owe us tax (which we call "an underpayment"). Our explanation will include: A) the tax period or periods for which the underpayment is asserted; B) the amount of the underpayment detailed by tax period; C) the legal basis upon which we have relied to determine that an underpayment exists; and D) an itemization of the revisions made by us to your return or report that results in our decision that an underpayment exists. If you agree with our changes, you should pay the additional tax.
4. **Requests for Prior Year Returns.** An initial request by the tax administrator into prior year returns may cover tax returns required to be filed as bar black as three years prior to the mailing date of the notice. If the tax administrator 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, the tax administrator may request additional information. The tax administrator may also require a taxpayer to provide copies of Federal and Pennsylvania tax returns when the tax administrator can show that the taxpayer's Federal tax return(s) is (are) reasonably

necessary for the enforcement or collection of tax, and the information is not available from other sources or the Pennsylvania Department of Revenue.

5. Appeals of Decisions.

- A. If we notify you that you owe more tax (what we call an "assessment") and you do not agree with our decision, you may appeal or seek review by filing a petition for reassessment within 90 days of the date of the mailing of the assessment notice. The petition must either be in our hands or postmarked by the U.S. Postal Service within this ninety-day period. Receipts from other carriers (such as Federal Express) are not accepted as proof of delivery.
- B. Your petition must explain the legal basis for your position and include all supporting documents. For your convenience, a form for submission of a petition is available at 900 North Hermitage Road, Hermitage, PA 16148. Your petition must be mailed or delivered to the attend of the receiver of taxes at the following address:

900 North Hermitage Road
Hermitage, PA 16148
- C. After your petition is received, we will notify you of your hearing date, if you requested a hearing. A decision by the hearing officer, which has been appointed by the City of Hermitage/Hermitage School District will be made within 60 days of the date your complete and accurate petition is received. If you do not agree with the decision of the hearing officer, you may appeal to the appropriate Court of Common Pleas of Mercer County. You must file your appeal within 30 days after notice of the decision of the hearing officer.

6. Refunds. You may file a claim for a refund ("refund claim") if you think you paid too much tax (what we call an "overpayment"). You must file the refund claim within three years of the due date for filing the return as extended or one year after actual payment of the tax, whichever is later. If no report or local tax return is required for the tax, the refund claim must be made within three years after the due date for payment of the tax or within one year after actual payment of the tax, whichever is later. If your refund claim relates to amounts paid as a result of a notice asserting an underpayment of tax, your request for refund claim must be filed within one year of the date of payment. Refund claims must be made on forms prescribed by us and must include supporting documentation. You can obtain forms for refund claims by contacting us at 900 North Hermitage Road, Hermitage, Pennsylvania 16148. Your refund claims must be filed with us at 900 North Hermitage Road, Hermitage, Pennsylvania 16148. If you file a tax return showing an overpayment of tax, we will treat that as a request for a cash refund unless you indicate otherwise. If your refund claim is denied, you may file a petition contesting the denial of the refund. Any petition must be filed within the same time limits that apply for a refund claim. Alternatively, you may file a

petition for a refund without first filing a refund claim. A hearing date will be set after your petition is received and a decision by the hearing officer will be made within 60 days of the date your complete and accurate petition is received. The appeals petition form must be used to request a review of a refund claim denial. Your petition must be mailed or delivered to the attention of the receiver of taxes at the following address:

900 North Hermitage Road
Hermitage, Pennsylvania 16148

7. **Enforcement Procedures.** Once it has been determined that you owe tax, we will take action we are legally permitted to take to enforce our claim. Such action may include obtaining additional information from you, auditing your records, entering into a settlement with you of the disputed amount of the tax or obtaining liens on your property, wage attachments, levies and seizures and sales of your property in appropriate circumstances. We may enter into a written agreement will facilitate collection. We may also impose interest and applicable penalties on the tax you owe, and may seek criminal prosecution of you in appropriate circumstances.
8. **Tax Information Confidentiality.** Information gained by the tax administrator or hearing officer as a result of any audit, return, report, investigation, hearing, appeal or verification shall be confidential. However, confidentiality will not preclude disclosure for official purposes, whether in connection with legal proceedings or otherwise, and it will not preclude disclosure to the extent required by applicable law.
9. **Taxpayer Complaints.** If you have a complaint about any action relating to the political subdivision's taxes, the receiver of taxes may be contacted in writing at 900 North Hermitage Road, Hermitage, Pennsylvania 16148. This individual will attempt to facilitate resolution of your complaint by working with the appropriate personnel of the tax administrator and or hearing officer.

FOR MORE INFORMATION, PLEASE CONTACT THE RECEIVER OF TAXES, 900 NORTH HERMITAGE ROAD, HERMITAGE, PENNSYLVANIA 16148. PHONE NUMBER (724) 981-8131.

D. Petition for Appeal and Refund.

§ 24-941. Petition for Appeal and Refund.³ [Ord. 5-99, 3/24/1999, Exhibit C]

³. **Editor's Note:** The Petition for Appeal and Refund is included as an attachment to this chapter.

E. Administrative Appeal Procedures Applicable to Petitions for Appeal and Refund.**§ 24-951. General. [Ord. 5-99, 3/24/1999, Exhibit D, § 1]**

If the taxpayer does not agree with the local tax administrator's (hereinafter "administrator") assessment or determination of refund claim, the taxpayer may file an appeal by petition to the hearing officer requesting a review of the administrator's assessment or determination of refund claim.

§ 24-952. Obtaining a Hearing. [Ord. 5-99, 3/24/1999, Exhibit D, § 2]

To obtain a hearing, a taxpayer must complete a petition form and timely file it with the hearing officer and mail it to the administrator's address indicated in § 24-954(4) below.

§ 24-953. Form and Content of The Petition. [Ord. 5-99, 3/24/1999, Exhibit D, § III]

The petition must include all of the following information:

- A. Petitioner's name, address, phone number and contact person (if any).
- B. Petitioner's Social Security number, account number or taxpayer identification number.
- C. Type of tax.
- D. Tax year and/or quarter.
- E. School district and/or borough, township, city, town or county.
- F. Name, address and phone number of authorized representative (if any).
- G. Whether petition would like to schedule a hearing in person or on the record.
- H. Relief the petitioner is requesting.
- I. Petitioner's argument(s) in support of the relief requested.
- J. Signature of petitioner.

§ 24-954. Forwarding Appeal. [Ord. 5-99, 3/24/1999, Exhibit D, § IV]

1. Upon receipt of the taxpayer's petition, the administrator shall forward the petition immediately to the hearing officer.
2. The hearing officer shall issue a written decision on the taxpayer's petition within 60 days of the date on which a complete and accurate petition is received from the taxpayer.

3. In evaluating and making a decision as to any petition, the hearing officer shall apply the principles of law and equity.

§ 24-955. Deadlines for Filing. [Ord. 5-99, 3/24/1999, Exhibit D, § VI]

1. **Refund Petitions.** If a taxpayer determines that he or she has paid a tax to which he or she is not subject, a petition for refund of the overpaid local tax must be filed with the administrator.
 - A. Refund petitions shall be filed within three years after the due date for filing the report or return, as extended or one year after actual payment of the tax, whichever is later.
 - B. If no report or return is required, the refund petition shall be filed within three years after the due date for payment of the tax to be refunded or within one year after actual payment whichever is later.
2. **Petitions for Reassessment.**
 - A. Any taxpayer who disagrees with an assessment or determination of a local tax may petition the hearing officer for a re-evaluation of the taxpayer's assessment.
 - B. Petitions for reassessment of a tax shall be filed with the administrator within 90 days of the date of the assessment notice.
3. **Timely Filing.** A petition for refund or petition for reassessment is timely filed if the letter transmitting the petition is postmarked by the United States Postal Service on or before the final day on which the petition must be filed.
4. **Mailing Address.** Petitions shall be mailed to the following address:

Receiver of Taxes
900 North Hermitage Road
Hermitage, PA 16148