

**EAST PROSPECT BOROUGH
YORK COUNTY, PENNSYLVANIA**

ORDINANCE NO.: 2005 -7_____

**AN ORDINANCE OF THE BOROUGH COUNCIL OF THE BOROUGH
OF EAST PROSPECT, YORK COUNTY, PENNSYLVANIA, AMENDING
THE CODE OF ORDINANCES OF EAST PROSPECT BOROUGH, TO
PROVIDE FOR COLLECTION OF TAXES ON EARNED INCOME AND
NET PROFITS AT THE SOURCE BY ALL EMPLOYERS WITHIN THE
BOROUGH OF EAST PROSPECT, AND EXCLUDING THE
WITHHOLDING OF SUCH TAXES FROM MARYLAND RESIDENTS**

WHEREAS, the Borough of East Prospect, York County, Pennsylvania, by Ordinance levied, assessed and provided for the collection of taxes on earned income and net profits under and pursuant to the authority of Act No. 511 of the 1965 General Assembly of the Commonwealth of Pennsylvania, enacted December 31, 1965, and effective January 1, 1966, as amended; and

WHEREAS, the Borough of East Prospect has also designated the York Area Tax Bureau ("YATB") to collect said taxes on earned income and net profits levied by the Borough of East Prospect; and

WHEREAS, YATB has requested that its member municipalities amend its earned income tax and net profits ordinance for the following reasons:

- a. To simplify the procedure of withholding and remitting earned income tax and net profits for employers by creating uniformity throughout the YATB's member municipalities;
- b. To create additional funds flowing through the YATB for investment purposes thereby creating additional operating revenue;
- c. To be in compliance with recently introduced legislation requiring all earned income tax collectors to be non-resident collectors;
- d. To enhance the efficiency of the YATB's employer accounts department and audit group when dealing with employers, payroll services, other tax bureaus and taxpayers;
- e. To be in compliance with the recommendations for the withholding of earned income taxes set forth in the document entitled "Pennsylvania's Earned Income Tax Collection System, an analysis with recommendations," dated August 2004,

prepared by the Pennsylvania Department of Community and Economic Development and published by the Governor's Center for Local Government Services; and

WHEREAS, after due advertisement of this ordinance, the Borough Council of East Prospect Borough finds this Ordinance to be in the best interest of the health, safety and general welfare of its residents.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF EAST PROSPECT AS FOLLOWS:

Section 1. The Code of Ordinances of East Prospect Borough is hereby amended by the deletion of the current text and adopting the following:

§105. Collection at Source.

- A. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the Borough of East Prospect 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 fifteen (15) days after becoming an employer, register with the York Area Tax Bureau or other designated Income Tax Officer, his name and address and such other information as the York Area Tax Bureau or other designated Income Tax Officer may require.
- B. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the taxing jurisdiction imposing a tax on earned income or net profits within the Borough of East Prospect, for a salary, wage, commission or other compensation shall deduct at the time of payment thereof the tax imposed by this Part on the earned income due to his employee or employees and shall, on or before April 30 of the current year, July 31 of the current year, October 31 of the current year and January 31 of the succeeding year, file a return and pay to the Officer the amount of taxes deducted during the preceding three-month periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year and December 31 of the current year, respectively. Such return, unless otherwise agreed upon between the officer and employer, shall show the name and social security number of each such employee, the earned income of such employee during such preceding three-month period, the tax deducted therefrom, the political subdivisions imposing the tax upon such employee, the total 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 who has failed to pay over the proper amount of tax to the taxing authority may be required by the York Area Tax Bureau or designated Income Tax Officer to file his return and pay the tax monthly. In such cases,

payments of tax shall be made to the York Area Tax Bureau or designated Income Tax Officer on or before the last day of the month succeeding the month for which the tax was withheld.

- C. Every employer shall deduct or withhold from employees, exclusive of domestic servants and Maryland residents, at the following rates:
 - (1) Resident taxpayers at the applicable rates imposed by the Borough of East Prospect and the Southeastern Area School District for the resident taxpayer's earned income and net profits.
 - (2) Non-resident taxpayers at the rate of no less than one (1%) percent of the non-resident taxpayer's earned income and net profits.

- D. On or before February 28 of the succeeding year, every employer shall file with the Officer:
 - (1) An annual return showing the total amount of earned income paid, the total amount of tax deducted and the total amount of tax paid to the Officer for the period beginning January 1 of the current year and ending December 31 of the current year.
 - (2) 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 York Area Tax Bureau or designated Income Tax Officer. Every employer shall furnish two (2) copies of the individual return to the employee for whom it is filed.

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

- F. 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 is required to withhold to the extent that such taxes have not been recovered from the employee.

- G. 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 relating to the filing of declarations and returns.

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

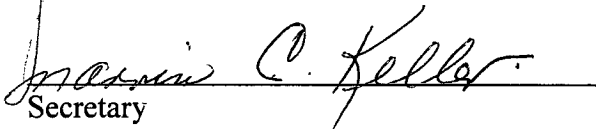
Section 2. Any ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed to the extent of such conflict.

Section 3. This Ordinance shall become effective January 1, 2006.

ENACTED AND ORDAINED this 2nd day of August, 2005.

ATTEST:

EAST PROSPECT BOROUGH


Secretary

By: 
President

(SEAL)

APPROVED this 2nd day of August, 2005.


Mayor