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PART 1
EARNED INCOME TAX

§24-101. Short Title.

This Part shall be known and may be cited as the "Earned Income Tax Ordinance of the City of Lock Haven"

(Ord. 4B, 3/7/1977)

§24-102. Definitions.

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

ASSOCIATION - a partnership, limited partnership or any other unincorporated group of two or more persons.

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

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

CURRENT YEAR - the calendar year for which the tax is levied.

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

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

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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.

INCOME TAX OFFICER or OFFICER - person, public employee or private agency designated by the Lock Haven City Council 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 City of Lock Haven.

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 City of Lock Haven.

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.

(Ord. 4B, 3/7/1977)

§24-103. Imposition of Tax.

A tax for general revenue purposes of ½% is hereby imposed on:

A. Earned income received by residents.

- B. The net profits of businesses professions or other activities conducted in the City of Lock Haven by residents during the period from January 16, 1958 to December 31, 1958, and each calendar year thereafter, without annual reenactment unless the rate of tax is subsequently changed.

(Ord. 4B, 3/7/1977)

§24-104. Declaration and Payment of Tax.

1. Net Profits.

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

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- F. 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 hereinabove required and pay the tax due.

2. **Earned Income.**

- A. **Annual Earned Income Tax Return.** Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the Officer, on a form prescribed or approved by the Officer, a final return showing the amount of earned income received during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due thereon, the amount of tax paid thereon, the amount of tax thereon that has been withheld pursuant to the provisions relating to the collection at source and the balance of tax due. At the time of filing the final return, the taxpayer shall pay the balance of the tax due or shall make demand for refund or credit in the case of overpayment
- B. **Earned Income not Subject to Withholding.** Every taxpayer who is employed for a salary, wage, commission or other compensation and who received any earned income not subject to the provisions relating to collection at source shall make and file with the Officer, on a form prescribed or approved by the Officer, a quarterly return on or before April 30 of the current year, July 31 of the current year, October 31 of the current year and January 31 of the succeeding year, setting forth the aggregate amount of earned income not subject to withholding earned by him during the 3 month periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year and December 31 of the current year, respectively, and subject to the tax, together with such other information as the Officer may require. Every taxpayer making such return shall, at the time of filing thereof, pay to the Officer the amount of tax shown as due thereon.

(Ord. 4B, 3/7/1977)

§24-105. Collection at Source.

1. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the City of Lock Haven who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered shall, within 15 days after becoming an employer, register with the Officer his name and address and such other information as the Officer may require.
2. Every employer having an office, factory, workshop, branch, warehouse or other place of business within the City of Lock Haven 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, 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 3 month periods ending March 31 of the current year, June 30 of the current year,

September 30 of the current year and December 31 of the current year, respectively. 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 3 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 3 month period and the total tax deducted therefrom and paid with the return.

3. 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 City of Lock Haven, may be required by the Officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the Officer on or before the last day of the month succeeding the month for which the tax was withheld.
4. On or before February 28 of the succeeding year, every employer shall file with the Officer:
 - 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 Officer 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 subdivisions imposing the tax upon such employee, the amount of tax paid to the Officer. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.
5. 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.
6. Every employer who wilfully 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.
7. 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.

(Ord. 4B, 3/7/1977)

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§24-106. Powers and Duties of Officer.

1. It shall be the duty of the Officer 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. The Income Tax Officer, before entering upon his official duties under this Part, shall give and acknowledge a bond to the City of Lock Haven such as will comply with the provisions of §13(V)(b) of Act 511 of the 1965 Session of the Pennsylvania General Assembly, approved December 31, 1965.
3. The Officer 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 re-examination 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 6 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 Lock Haven City Council. A copy of such rules and regulations currently in force shall be available for public inspection.
4. The Officer shall refund, on petition of and proof by the taxpayer, earned income tax paid on the taxpayer's ordinary and necessary business expenses, to the extent that such expenses are not paid by the taxpayer's employer.
5. The Officer and agents designated by him are hereby authorized to examine the books, papers and records of any employer or of any taxpayer or of any person whom the Officer reasonably believes to be an employer or taxpayer, in order to verify the accuracy of any declaration or return or, if no return was filed, to ascertain the tax due. Every employer and every taxpayer and every person whom the Officer reasonably believes to be an employer or taxpayer, is hereby directed and required to give to the Officer, or to any agent designated by him, the means, facilities and opportunity for such examination and investigations, as are hereby authorized
6. Any information gained by the Officer his agents or by any other official or agent of the City of Lock Haven, as a result of any declarations, returns, 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 Officer is authorized to establish different filing, reporting and payment dates for taxpayers whose fiscal years do not coincide with the calendar year.

(Ord. 4B, 3/7/1977)

§24-107. Suit for Collection of Tax.

1. The Officer may sue in the name of the City of Lock Haven for the recovery of taxes due and unpaid under this Part.
2. Any suit brought to recover the tax imposed by this Part shall be begun within 3 years after such tax is due or within 3 years after the declaration or return has been filed, whichever date is later. Provided, however, that this limitation shall not prevent the institution of a suit for the collection of any tax due or determined to be due in the following cases:
 - A. Where no declaration or return was filed by any person although a declaration or return was required to be filed by him under provisions of this Part, there shall be no limitation.
 - B. Where an examination of the declaration or return filed by any person or of other evidence relating to such declaration or return in the possession of the Officer reveals a fraudulent evasion 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 6 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 Officer, or where any person has wilfully failed or omitted to make the deductions required by this Part, there shall be no limitation.
 - E. This Section shall not be construed to limit the Lock Haven City Council from recovering delinquent taxes by any other means provided law.
3. The Officer may sue for recovery of an erroneous refund, provided such suit is begun 2 years after making such refund, except that the suit may be brought within 5 years if it appears that any part of the refund was induced by fraud or misrepresentation of material fact.

(Ord. 4B, 3/7/1977)

§24-108. Interest and Penalties.

If for any reason the tax is not paid when due, interest at the rate of 6% per annum on the amount of said tax, and an additional penalty of ½% 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.

(Ord. 4B, 3/7/1977)

§24-109. Penalties for Violation.

1. Any person who fails, neglects or refuses to make any declaration or return required by this Part, any employer who fails, neglects or refuses to register or to pay the tax deducted from his employees or fails, neglects or refuses to deduct or withhold the tax from his employees; any person who refuses to permit the 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 more than \$500 for each offense and costs or, in default of payment of said fine and costs, to be imprisoned for a period not exceeding thirty 30 days.
2. Any person who divulges any information which is confidential under the provisions of this Part shall, upon conviction thereof, be sentenced to pay a fine of not more than \$500 for each offense and costs or, in default of payment of said fine and costs, to be imprisoned for a period not exceeding 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 declarations or returns required by this Part shall not excuse him from making such declaration or return.

(Ord. 4B, 3/7/1977)

PART 2

OCCUPATION PRIVILEGE TAX

§24-201. Definitions.

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

CITY OF LOCK HAVEN - the area within the corporate limits of the City of Lock Haven. [*Ord. 7B*]

CURRENT YEAR - the 12 month period beginning January 1 and ending December 31 of any calendar year. [*Ord. 7B*]

EMPLOYER - any individual, partnership, association, 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 - shall mean and include the singular and plural numbers as well as male, female and neuter gender. [*Ord. 7B*]

INDIVIDUAL - any person, male or female, engaged in any occupation, trade or profession within the corporate limits of the City of Lock Haven.

OCCUPATION - any trade, profession, business or undertaking of any type, kind or character, including services carried on or performed within the corporate limits of the City of Lock Haven for which compensation is charged or received, whether by means of salary, wages, commissions or fees for services rendered.

TAX - the occupation privilege tax in the amount of \$10 dollars levied by this Part.

TREASURER - the Treasurer of the City of Lock Haven under whose direction this tax shall be enforced.

(*Ord. 530A, 12/30/1964, §1; as amended by Ord. 532A, 1/26/1965, §1; by Ord. 806A, 12/6/1971, §§1, 2; and by Ord. 7B, 3/7/1977, §1*)

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§24-202. Levy.

The City of Lock Haven hereby levies and imposes on each occupation engaged in by individuals within its corporate limits during the calendar year, an occupation privilege tax. This tax is in addition to all other taxes of any kind or nature heretofore levied by the City of Lock Haven.

(*Ord. 530A, 12/30/1964, §2; as amended by Ord. 7B, 3/7/1977, §2*)

§24-203. Amount of Tax.

Beginning with the first day of February, 1965, each occupation, as hereinbefore defined, engaged in within the corporate limits of the City of Lock Haven shall be required to pay an occupation privilege tax in the amount of \$10 dollars per annum.

(*Ord. 530A, 12/30/1964, §3*)

§24-204. Duty of Employers.

Each employer within the City of Lock Haven, as well as those employers situated outside the City of Lock Haven, but who engage in business within the City of Lock Haven, is hereby charged with the duty of collecting from each of his employees engaged by him in performing for him within the City of Lock Haven the said tax of \$10 dollars per annum and making a return and payment thereof to the City Treasurer. Further, each employer is hereby authorized to deduct this tax from each employee in his employ, whether said employee is paid by salary, wages or commission and whether or not part or all of such services are performed within the City of Lock Haven.

(*Ord. 530A, 12/30/1964, §4*)

§24-205. Returns.

Each employer shall prepare and file a return showing a computation of the tax on forms to be supplied to him by the City Treasurer. Each employer, in filing this return and making payment of the tax withheld from his employees, shall be entitled to retain a commission calculated at the rate of 2% of the gross tax due and payable; provided, that such tax is collected and paid over by the employer on or before the dates hereinafter set forth. It is further provided that if the employer fails to file said return and pay said tax, whether or not he makes collection thereof from the salary, wages or commissions paid by him to said employee, the employer shall be responsible for the payment of the tax in full without deducting a commission and as though the tax had originally been levied against him.

(*Ord. 530A, 12/30/1964, §5*)

§24-206. Dates for Determining Tax Liability and Payment.

Each employer shall use his employment records from the first day of January to May 15 of the current year for determining the number of employees from whom said tax shall be deducted and paid over to the City Treasurer on or before June 15 of the current year. Supplemental reports shall be made by each employer on September 15 and November 15 of the current year of new employees as reflected on his employment records from May 15 to August 15 of the current year; and from August 15 to October 15 of the current year. Payments on these supplemental reports shall be made on September 15 and November 15 of the current year, respectively.

(*Ord. 530A, 12/30/1964, §6; as amended by Ord. 7B, 3/7/1977, §3*)

§24-207. Individuals Engaged in More Than One Occupation.

Each individual who shall have more than one occupation within the City of Lock Haven shall be subject to the payment of this tax on his principal occupation and his principal employer shall deduct this tax and deliver to him evidence of deductions on a form to be furnished to the employer by the City Treasurer, which form shall be evidence of deduction having been made and when presented to any other employer shall be authority for such employer to not deduct this tax from the employee's wages, but to include such employee on his return by setting forth his name, address and the name and account number of the employer who deducted this tax.

(*Ord. 530A, 12/30/1964, §7*)

§24-208. Self-Employed Individuals.

Any self-employed individual who performs services of any type or kind, engages in any occupation or profession, within the City of Lock Haven shall be required to comply with this Part and pay the tax to the City Treasurer on June 15 of the current year or as soon thereafter as he engages in any such occupation or profession or performs services of any type or kind.

(*Ord. 530A, 12/30/1964, §8; as amended by Ord. 7B, 3/7/1977, §4*)

§24-209. Employers and Self-Employed Individuals Residing Beyond the Corporate Limits of the City of Lock Haven.

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

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Further, any individual engaged in an occupation within the City of Lock Haven and an employee of a nonresident employer may, for the purpose of this Part, be considered a self-employed person and, in the event this tax is not paid, the City shall have the option of proceeding against either the employer or employee for the collection of this tax as hereinafter provided.

(Ord. 530A, 12/30/1964, §9)

§24-210. Administration of Tax.

1. It shall be the duty of the City Treasurer 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 Treasurer is hereby charged with the administration and enforcement of this Part and is hereby charged and empowered to prescribe, adopt, promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this Part, including provisions for the examination of the payroll records of any employer subject to this Part; the examination and correction of any return made in compliance with this Part; 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 the decision of the Treasurer shall have the right to appeal to the Court of Common Pleas of Clinton County as in other cases provided.
3. The Treasurer 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 Treasurer the means, facilities and opportunity for such examination

(Ord. 530A, 12/30/1964, §10; as amended by Ord. 806A, 12/30/1971 §3; and by Ord. 7B, 3/7/1977, §5)

§24-211. Suits for Collection.

1. In the event that any tax under this Part remains due or unpaid 30 days after the due dates above set forth, the Treasurer may sue for the recovery of any such tax due or unpaid under this Part, 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 said tax shall be calculated beginning with the due date of said tax and a penalty of 5% shall be added to the flat rate of said tax for nonpayment thereof. Where suit is brought for the recovery of this tax, the individual liable therefor shall, in addition, be responsible and liable for the costs of collection.

(Ord. 530A, 12/30/1964, §11; as amended by Ord. 806A, 12/6/1971, §3; and by Ord. 7B, 3/7/1977, §6)

§24-212. Penalty.

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

(*Ord. 530A*, 12/30/1964, §12, as amended by *Ord. 7B*, 3/7/1977, §7; and by *Ord. 670*, 2/24/2003, §1)

PART 3

REALTY TRANSFER TAX

§24-301. Short Title.

This Part shall be known as the "Realty Transfer Tax Ordinance" of the City of Lock Haven.

(Ord. 670, 2/24/2003, §1)

§24-302. Authority.

A realty transfer tax for general revenue purposes is hereby imposed upon the transfer of real estate or interest in real estate situated within the City of Lock Haven, regardless of where the documents making the transfer are made, executed or delivered, or where the actual settlements on such transfer took place, as authorized by Article XI-D, "Local Real Estate Transfer Tax," 72 P.S. §8101 *et seq.*

(Ord. 670, 2/24/2003, §1)

§24-303. Definitions.

ASSOCIATION - a partnership, limited partnership or any other form of unincorporated enterprise owned or conducted by two or more persons other than a private trust or decedent's estate.

CITY - the City of Lock Haven, Clinton County, Pennsylvania.

CORPORATION - a corporation, joint-stock association, business trust or banking institution which is organized under the laws of this Commonwealth, the United States or any other state, territory, foreign country or dependency.

DOCUMENT - any deed, instrument or writing which conveys, transfers, demises, vests, confirms or evidences any transfer or demise of title of real estate, but does not include wills, mortgages, deeds of trust or other instruments of like character given as security for a debt and deeds of release thereof to the debtor, land contracts whereby the legal title does not pass to the grantee until the total consideration specified in the contract has been paid or any cancellation thereof unless the consideration is payable over a period of time exceeding 30 years, or instruments which solely grant, vest or confirm a public utility easement. "Document" shall also include a declaration of acquisition required to be presented for recording under §24-308.

FAMILY FARM CORPORATION - a corporation of which at least 75% of its assets are devoted to the business of agriculture and at least 75% of each class of stock of the corporation is continuously owned by members of the same family. The business of agriculture shall not be deemed to include:

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- A. Recreational activities such as, but not limited to, hunting, fishing, camping, skiing, show competition or racing.
- B. The raising, breeding or training of game animals or game birds, fish, cats, dogs or pets or animals intended for use in sporting or recreational activities.
- C. Fur farming.
- D. Stockyard and slaughterhouse operations.
- E. Manufacturing or processing operations of any kind.

MEMBERS OF THE SAME FAMILY - any individual, such individual's brothers and sisters, the brothers and sisters of such individual's parents and grandparents, the ancestors and lineal descendants of any of the foregoing, a spouse of any of the foregoing and the estate of any of the foregoing. Individuals related by the half-blood or legal adoption shall be treated as if they were related by the whole-blood.

PERSON - every natural person, association or corporation. Whenever used in any clause prescribing and imposing a fine or imprisonment, or both the term "person" as applied to associations, shall include the responsible members or general partners thereof, and as applied to corporations, the officers thereof.

REAL ESTATE -

- A. All lands, tenements or hereditaments within this City including, without limitation, buildings, structures, fixtures, mines, minerals, oil, gas, quarries, spaces with or without upper or lower boundaries, trees and other improvements, immovables or interests which by custom, usage or law pass with a conveyance of land, but excluding permanently attached machinery and equipment in an industrial plant.
- B. A condominium unit.
- C. A tenant-stockholder's interest in a cooperative housing corporation, trust or association under a proprietary lease or occupancy agreement.

REAL ESTATE COMPANY - a corporation or association which is primarily engaged in the business of holding, selling or leasing real estate, 90% or more of the ownership interest in which is held by 35 or fewer persons and which:

- A. Derives 60% or more of its annual gross receipts from the ownership or disposition of real estate.
- B. Holds real estate, the value of which comprises 90% or more of the value of its entire tangible asset holdings exclusive of tangible assets which are freely transferable and actively traded on an established market.

TITLE TO REAL ESTATE -

- A. Any interest in real estate which endures for a period of time, the termination of which is not fixed or ascertained by a specific number of years including, without limitation, an estate in fee simple, life estate or perpetual leasehold.
- B. Any interest in real estate enduring for a fixed period of years, but which, either by reason of the length of the term or the grant of a right to extend the term by renewal or otherwise, consist of a group of rights approximating those of an estate in fee simple, life estate or perpetual leasehold including, without limitation, a leasehold interest or possessory interest under a lease or occupancy agreement for a term of 30 years or more, or a leasehold interest or possessory interest in real estate in which the lessee has equity.

TRANSACTION - the making, executing, delivering, accepting or presenting for recording of a document.

VALUE -

- A. In the case of any bona fide sale of real estate at arm's length for actual monetary worth, the amount of the actual consideration therefor, paid or to be paid, including liens or other encumbrances thereon existing before the transfer and not removed thereby, whether or not the underlying indebtedness is assumed, and ground rents, or a commensurate part thereof where such liens or other encumbrances and ground rents also encumber or are charged against real estate; provided, that where such documents shall set forth a nominal consideration, the "value" thereof shall be determined from the price set forth in or actual consideration for the contract of sale.
- B. In the case of a gift, sale by execution upon a judgment or upon the foreclosure of a mortgage by a judicial officer, transactions without consideration or for consideration less than the actual monetary worth of the real estate, a taxable lease, an occupancy agreement, a leasehold or possessory interest, any exchange of properties or the real estate of an acquired company, the actual monetary worth of the real estate determined by adjusting the assessed value of the real estate for local real estate tax purposes for the common level ratio factor developed by the Pennsylvania Department of Revenue for Pennsylvania realty transfer tax base calculations.
- C. In the case of an easement or other interest in real estate, the value of which is not determinable under subsection (A) or (B), the actual monetary worth of such interest.

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- D. The actual consideration for or actual monetary worth of any executory agreement for the construction of buildings, structures or other permanent improvements to real estate between the grantor and other persons existing before the transfer and not removed thereby or between the grantor, the agent or principal of the grantor of a related corporation, association or partnership and the grantee existing before or effective with the transfer.

(Ord. 670, 2/24/2003, §1)

§24-304. Imposition of Tax; Interest.

1. Every person who makes, executes, delivers, accepts or presents for recording any document or in whose behalf any document is made, executed, delivered, accepted or presented for recording, shall be subject to pay for and in respect to the transaction or any part thereof, a tax at the rate of 1% of the value of the real estate represented by such document, which tax shall be payable at the earlier of the time the document is presented for recording or within 30 days of acceptance of such document, or within 30 days of becoming an acquired company.
2. The payment of the tax imposed herein shall be evidenced by the affixing of an official stamp or writing by the recorder of deeds whereon the date of the payment of the tax, amount of the tax and the signature of the collecting agent shall be set forth.
3. It is the intent of this Part that the entire burden of the tax imposed herein on a person or transfer shall not exceed the limitations prescribed in the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, 53 P.S. §6901 *et seq.*, so that if any other political subdivision shall impose or hereafter shall impose such tax on the same person or transfer then the tax levied by the City Council under the authority of that Act shall during the time such duplication of the tax exists, except as hereinafter otherwise provided, be ½ of the rate and such ½ shall become effective without any action on the part of the City Council; provided, however, that the City and any other political subdivision which impose such tax on the same person or transfer may agree that, instead of limiting their respective rates to ½ of the rate herein provided, they will impose respectively different rates, the total of which shall not exceed the maximum rate permitted under the "Local Tax Enabling Act."
4. If for any reason the tax is not paid when due, interest at the rate in effect at the time the tax is due, shall be added and collected.

(Ord. 670, 2/24/2003, §1)

§24-305. Exempt Parties.

The United States, the Commonwealth or any of their instrumentalities, agencies or political subdivisions shall be exempt from payment of the tax imposed by this Part. The exemption of such governmental bodies shall not, however, relieve any other party to a transaction from liability for the tax.

(Ord. 670, 2/24/2003, §1)

§24-306. Excluded Transactions.

The tax imposed by §24-304 shall not be imposed upon:

- A. A transfer to the Commonwealth or to any of its instrumentalities, agencies or political subdivisions by gift, dedication or deed in lieu of condemnation or deed or confirmation in connection with condemnation proceedings, or a reconveyance by the condemning body of the property condemned to the owner of record at the time of condemnation, which reconveyance may include property line adjustments, provided said reconveyance is made within 1 year from the date of condemnation.
- B. A document which the City is prohibited from taxing under the Constitution or statutes of the United States.
- C. A conveyance to a municipality, township, school district or county pursuant to acquisition by the municipality, township, school district or county of a tax delinquent property at sheriff sale or tax claim bureau sale.
- D. A transfer for no or nominal actual consideration which corrects or confirms a transfer previously recorded, but which does not extend or limit existing record legal title or interest.
- E. A transfer or division in kind for no or nominal actual consideration of property passed by testate or intestate succession and held by cotenants; however, if any of the parties take shares greater in value than their undivided interest, tax is due on the excess.
- F. A transfer between husband and wife, between persons who were previously husband and wife who have since been divorced, provided the property or interest therein subject to such transfer was acquired by the husband and wife or husband or wife prior to the granting of the final decree in divorce, between parent and child or the spouse of such child, between brother or sister or spouse of a brother or sister and between a grandparent and grandchild or the spouse of such grandchild, except that a subsequent transfer by the grantee within 1 year shall be subject to tax as if the grantor were making such transfer.

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- G. A transfer for no or nominal actual consideration of property passing by testate or intestate succession from a personal representative of a decedent to the decedent's devisee or heir.
- H. A transfer for no or nominal actual consideration to a trustee of an ordinary trust where the transfer of the same property would be exempt if the transfer was made directly from the grantor to all of the possible beneficiaries, whether or not such beneficiaries are contingent or specifically named. No such exemption shall be granted unless the recorder of deeds is presented with a copy of the trust instrument that clearly identifies the grantor and all possible beneficiaries.
- I. A transfer for no or nominal actual consideration from a trustee to a beneficiary of an ordinary trust.
- J. A transfer for no or nominal actual consideration from trustee to successor trustee.
- K. A transfer (i) for no or nominal actual consideration between principal and agent or straw party; or (ii) from or to an agent or straw party where, if the agent or straw party were his principal, no tax would be imposed under this Part. Where the document by which title is acquired by a grantee or statement of value fails to set forth that the property was acquired by the grantee from, or for the benefit of, his principal, there is a rebuttable presumption that the property is the property of the grantee in his individual capacity if the grantee claims an exemption from taxation under this subsection.
- L. A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation, except where the department reasonably determines that the primary intent for such merger, consolidation or division is avoidance of the tax imposed by this Part.
- M. A transfer from a corporation or association of real estate held of record in the name of the corporation or association where the grantee owns stock of the corporation or an interest in the association in the same proportion as his interest in or ownership of the real estate being conveyed and where the stock of the corporation or the interest in the association has been held by the grantee for more than 2 years.
- N. A transfer from a nonprofit industrial development agency or authority to a grantee of property conveyed by the grantee to that agency or authority as security for a debt of the grantee or a transfer to a nonprofit industrial development agency or authority.

- O. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it, but only if: (i) the grantee shall directly use such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing or agriculture; and (ii) the agency or authority has the full ownership interest in the real estate transferred.
- P. A transfer by a mortgagor to the holder of a bona fide mortgage in default in lieu of a foreclosure or a transfer pursuant to a judicial sale in which the successful bidder is the bona fide holder of a mortgage, unless the holder assigns the bid to another person.
- Q. Any transfer between religious organizations or other bodies or persons holding title for a religious organization if such real estate is not being or has not been used by such transferrer for commercial purposes.
- R. A transfer to a conservancy which possesses a tax exempt status pursuant to §501(c)(3) of the Internal Revenue Code of 1986, (68A Stat. 3, 26 U.S.C. §501(c)(3)) and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open space opportunities.
- S. A transfer of real estate devoted to the business of agriculture to a family farm corporation by a member of the same family which directly owns at least 75% of each class of the stock thereof.
- T. A transfer between members of the same family of an ownership interest in a real estate company or family farm corporation.
- U. A transaction wherein the tax is \$1 or less.
- V. Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof.

In order to exercise any exclusion provided in this Section, the true, full and complete value of the transfer shall be shown on the statement of value. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. For leases of coal, oil, natural gas or minerals, the statement of value may be limited to an explanation of the reason such document is not subject to tax under this Part.

(Ord. 670, 2/24/2003, §1)

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§24-307. Documents Relating to Associations or Corporations and Members, Partners, Stockholders or Shareholders Thereof.

Except as otherwise provided in §24-306, documents which make, confirm or evidence any transfer or demise of title to real estate between associations or corporations and the members, partners, shareholders or stockholders thereof are fully taxable. For the purposes of this Section, corporations and associations are entities separate from their members, partners, stockholders and shareholders.

(Ord. 670, 2/24/2003, §1)

§24-308. Acquired Company.

1. A real estate company is an acquired company upon a change in the ownership interest in the company, however effected, if the change does not affect the continuity of the company; and of itself or together with prior changes has the effect of transferring, directly or indirectly, 90% or more of the total ownership interest in the company within a period of 3 years.
2. With respect to real estate acquired after February 16, 1986, a family farm corporation is an acquired company when, because of voluntary or involuntary dissolution, it ceases to be a family farm corporation or when, because of issuance or transfer of stock or because of acquisition or transfer of assets that are devoted to the business of agriculture, it fails to meet the minimum requirements of a family farm corporation under this Part.
3. Within 30 days after becoming an acquired company, the company shall present a declaration of acquisition with the recorder of each county in which it holds real estate for the affixation of documentary stamps and recording. Such declaration shall set forth the value of real estate holdings of the acquired company in such county. A copy of the Pennsylvania Realty Transfer Tax Declaration of Acquisition may be submitted for this purpose.

(Ord. 670, 2/24/2003, §1)

§24-309. Credits Against Tax.

1. Where there is a transfer of a residential property by a licensed real estate broker which property was transferred to him within the preceding year as consideration for the purchase of other residential property, a credit for the amount of the tax paid at the time of the transfer to him shall be given to him toward the amount of the tax due upon the transfer.

2. Where there is a transfer by a builder of residential property which was transferred to the builder within the preceding year as a consideration for the purchase of new, previously unoccupied residential property, a credit for the amount of the tax paid at the time of the transfer to the builder shall be given to the builder toward the amount of the tax due upon the transfer.
3. Where there is a transfer of real estate which is leased by the grantor, a credit for the amount of tax paid at the time of the lease shall be given the grantor toward the tax due upon the transfer.
4. Where there is a conveyance by deed of real estate which was previously sold under a land contract by the grantor, a credit for the amount of the tax paid at the time of the sale shall be given the grantor toward the tax due upon the deed.
5. If the tax due upon the transfer is greater than the credit given under this Section, the difference shall be paid. If the credit allowed is greater than the amount of tax due, no refund or carryover credit shall be allowed.

(Ord. 670, 2/24/2003, §1)

§24-310. Extension of Lease.

In determining the term of a lease, it shall be presumed that a right or option to renew or extend a lease will be exercised if the rental charge to the lessee is fixed or if a method for calculating the rental charge is established.

(Ord. 670, 2/24/2003, §1)

§24-311. Proceeds of Judicial Sale.

The tax herein imposed shall be fully paid and have priority out of the proceeds of any judicial sale of real estate before any other obligation, claim, lien, judgment, estate or costs of the sale and of the writ upon which the sale is made, except the State realty transfer tax, and the sheriff or other officer conducting said sale, shall pay the tax herein imposed out of the first moneys paid to him in connection therewith. If the proceeds of the sale are insufficient to pay the entire tax herein imposed, the purchaser shall be liable for the remaining tax.

(Ord. 670, 2/24/2003, §1)

§24-312. Duties of Recorder of Deeds.

1. As provided in 16 P.S. §11011-6, as amended by Act of July 7, 1983, (P.L. 40, No. 21), the recorder of deeds shall be the collection agent for the local realty transfer tax, including any amount payable to City based on a redetermination of the amount of tax due by the Commonwealth of Pennsylvania of the Pennsylvania realty transfer tax, without compensation from the City.
2. In order to ascertain the amount of the taxes due when the property is located in more than one political subdivision, the recorder shall not accept for recording such a deed unless it is accompanied by a statement of value showing what taxes are due each municipality.
3. On or before the tenth of each month, the recorder shall pay over to the City all local realty transfer taxes collected, less 2% for use of the County, together with a report containing the information as is required by the Commonwealth of Pennsylvania in reporting collections of the Pennsylvania realty transfer tax. The 2% commission shall be paid to the County.
4. Upon a redetermination of the amount of realty transfer tax due by the Commonwealth of Pennsylvania, the recorder shall rerecord the deed or record the additional realty transfer tax form only when both the State and local amounts and a rerecording or recording fee has been tendered.

(Ord. 670, 2/24/2003, §1)

§24-313. Statement of Value.

Every document lodged with or presented to the recorder of deeds for recording, shall set forth therein and as a part of such document the true, full and complete value thereof, or shall be accompanied by a statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this Part. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. The provisions of this Section shall not apply to any excludable real estate transfers which are exempt from taxation based on family relationship. Other documents presented for the affixation of stamps shall be accompanied by a certified copy of the document and statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this Part.

(Ord. 670, 2/24/2003, §1)

§24-314. Civil Penalties.

1. If any part of any underpayment of taxes imposed by this Part is due to fraud, there shall be added to the tax an amount equal to 50% of the underpayment.
2. In the case of failure to record a declaration required under this Part on the date prescribed therefor, unless it is shown that such failure is due to reasonable cause, there shall be added to the tax 5% of the amount of such tax if the failure is for not more than 1 month, with an additional 5% for each additional month or fraction thereof during which such failure continues, not exceeding 50% in the aggregate.

(Ord. 670, 2/24/2003, §1)

§24-315. Lien.

The tax imposed by this Part shall become a lien upon the lands, tenements or hereditaments, or any interest therein, lying, being situated, wholly or in part within the boundaries of the City, which lands, tenements, hereditaments or interest therein, are described in or conveyed by or transferred by the deed which is the subject of the tax imposed, assessed and levied by this Part, said lien to begin at the time when the tax under this Part is due and payable and continue until discharged by payment or in accordance with the law, and the solicitor is authorized to file a municipal or tax claim in the Court of Common Pleas of Clinton County, in accordance with the provisions of the Municipal Claims and Liens Act of 1923, 53 P.S. §7101 *et seq.*, its supplements and amendments.

(Ord. 670, 2/24/2003, §1)

§24-316. Enforcement.

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

(Ord. 670, 2/24/2003, §1)

§24-317. Regulations.

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

(Ord. 670, 2/24/2003, §1)

PART 4

PROPERTY TAX EXEMPTION

§24-401. Boundaries of Eligible Areas.

City Council finds that all areas of the City of Lock haven zoned as Central Business Districts, General Commercial Districts, General Commercial/Light Industrial Districts and Industrial Districts, or which may in the future be zoned Central Business Districts, General Commercial Districts, General Commercial/Light Industrial Districts and Industrial Districts, shall be determined as "deteriorated areas," as defined in Act 76 of 1977 and all industrial, commercial and other business property located within such zoning districts shall be considered "deteriorated property" and eligible for tax exemption.

(Ord. 240B, 7/7/1986, §I)

§24-402. Definitions.

DETERIORATED PROPERTY - any industrial, commercial or other business property owned by an individual, association or corporation and located in an eligible deteriorated area, as established by this Part or any amendment thereto.

IMPROVEMENT - 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 brought into compliance with laws, ordinances and regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.

(Ord. 240B, 7/7/1986, §II)

§24-403. Exemption Schedule.

1. The following schedule of exemptions, with respect to improvement of deteriorated property, is hereby adopted with the exemption to be granted on the increase in assessment attributable to the actual cost of improvements:

Improvement Exemption Schedule		
Year	Percentage of Deduction on Improvements	Percentage of Tax Collected on Increased Assessment
1	100%	0%
2	100%	0%
3	90%	10%

Improvement Exemption Schedule		
Year	Percentage of Deduction on Improvements	Percentage of Tax Collected on Increased Assessment
4	80%	20%
5	70%	30%
6	60%	40%
7	50%	50%
8	30%	70%
9	10%	90%
10	0	100%

2. The tax exemption from tax as authorized by this Part shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.

(Ord. 240B, 7/7/1986, §III; as amended by Ord. 408B, 6/1/1992, §I)

§24-404. Procedure for Obtaining Exemption.

Any person desiring tax exemption pursuant to this Part shall apply to the City of Lock Haven at the time a building permit is secured for construction. The procedure for obtaining exemption shall be in accordance with the provisions of the Local Economic Revitalization Tax Assistance Act, December 1, 1977, P.L. 237.

(Ord. 240B, 7/7/1986, §IV)

PART 5
BUSINESS PRIVILEGE TAX

§24-501. Title.

This Part shall be known as the "Amended Business Privilege Tax Ordinance."

(Ord. 415B, 8/31/1992, §I)

§24-502. Definitions.

The following words and phrases, when used in this Part, shall have the meaning ascribed to them in this Section, except where the context clearly indicates a different meaning:

BUSINESS - any activity carried on or exercised for gain or profit in the City of Lock Haven including, but not limited to, the sale of merchandise or other tangible personalty, the performance of services and the rental of personalty and/or realty.

CALENDAR YEAR - the period January 1 to December 31, inclusive.

CITY - the City of Lock Haven, Clinton County, Pennsylvania.

COMMON CONTROL - those business entities whose income is combined for the purpose of inclusion on a single Federal individual, partnership or corporate tax return.

PERSON - any individual, partnership, limited partnership, association, firm or corporation. Whenever used in any clause prescribing or imposing a penalty, the term "person" as applied to the association shall mean the partners or members thereof, and as applied to corporation, the officers thereof.

TAX ADMINISTRATOR - the person or agency duly appointed by the City of Lock Haven to administer the within tax.

TAX YEAR - the period from January 1 to December 31, inclusive.

TAXPAYER - a person subject to the payment of the tax imposed by this Part.

WHOLESALE DEALER - "wholesale dealer" or "wholesale vendor" shall mean any person who sells to dealers in, or vendors of, goods, wares and merchandise and to no other persons.

(Ord. 415B, 8/31/1992, §II)

TAXATION, SPECIAL

§24-503. Levy.

There is hereby levied for the tax year 1992 and annually thereafter a tax for general purposes on the privilege of doing business as herein defined in the City of Lock Haven as follows:

- A. **Rate and Basis of Tax.** The rate of tax on each and every dollar of the whole or gross volume of business transacted within the territorial limits of the City of Lock Haven shall be 1½ mills; 1½ mills shall mean \$1.50 per \$1,000 of gross volume of business; except that the rate of the tax on each and every dollar of the whole or gross volume of business transacted by wholesale dealers or wholesale vendors within the territorial limits of the City of Lock Haven shall be 1 mill. All nonwholesale business of such wholesale dealers or wholesale vendors shall be taxed at the general rate of 1½ mills.
- B. **Computation of Volume of Business.**
- (1) **Ongoing Business.** Every person subject to the payment of the tax hereby imposed shall use as his annual estimated gross volume of business the actual gross amount of business transacted by him during the immediately preceding calendar year providing that his business was begun prior to such preceding calendar year.
 - (2) **New Business.** If the business was begun during the first 9 months of the calendar year, the gross volume of business used to calculate the tax due in the beginning year shall be the first 3 months average, times the number of months of operation during the tax year. The annual estimated gross volume of business for the second year of operation shall be calculated by annualizing the beginning year's actual gross volume of business. If the business was begun within the last 3 months of the calendar year, the actual gross volume of business shall be used to calculate the beginning year's tax liability. The annual estimated gross volume of business for the second year of operation shall be calculated by analyzing the gross volume of business from the first 90 days of operation, even if some of the 90 days fall within the second year.
 - (3) Every person subject to the payment of the tax hereby imposed, who engages in a business temporary, seasonal or itinerant by nature shall compute his estimated gross amount of business to be transacted by him for the period said person engages in such temporary, seasonal or itinerant business within the City by a method to be determined by the Tax Administrator.

- (4) The Tax Administrator is hereby authorized to accept payment under protest of the amount of business privilege tax claimed by the City in any case where the taxpayer disputes the validity or amount of the City's claim for tax. If it is thereafter judicially determined by a court of competent jurisdiction that the City has been overpaid, the amount of overpayment shall be refunded to the taxpayer. The provisions of this Section shall be applicable to cases in which the facts are similar to those in a case litigated in a court of competent jurisdiction.
- (5) Payments made under any mercantile tax for business to which this tax is applicable shall be credited to this tax and vice versa.

C. Persons, Businesses and Receipts Exempted.

- (1) **Persons and Businesses.** Persons employed for a wage or salary, not for profit corporations or associations organized for religious, charitable or educational purposes, agencies of the government of the United States or the Commonwealth of Pennsylvania, and the business of any political subdivision or of any authority created or organized under and pursuant to any act of assembly are exempt from the provisions of this Part.
- (2) Every person whose total tax due under this Part from all sources under common control for any tax year is less than \$20 is exempt from filing a return and payment of tax for that tax year.
- (3) 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 to be the basis for exemption from the imposition of a business privilege tax by a municipality.
- (4) **Utilities.** No such tax shall be assessed and collected on the gross receipts from utility service of any person or company whose rates of service are fixed and regulated by the Pennsylvania Public Utility Commission or any public utility service rendered by any such person or company, or on any privilege or transaction involving the rendering of any such public utility service.
- (5) **State Tax on Tangible Property.** No such tax shall be assessed and collected on the privilege of employing such tangible property as is subject to a State tax, except on sales of admission to places of amusement or on sales or other transfers of title or possession of property.
- (6) **Production and Manufacture.** No such tax shall be assessed and collected on goods, articles and products or on by-products of manufacture, or on minerals, timber, natural resources and farm products, manufactured, produced or grown in the City of Lock Haven or on the preparation or processing thereof for use or market, or on any privilege, act or transaction relating to the business of manufacturing, the production, preparation or

processing of minerals, timber and natural resources or farm products, by manufacturers, by producers and by farmers with respect to the goods, articles and products of their own manufacture, production or growth, or any privilege, act or transaction relating to the business of processing by-products of manufacture or on the transportation, loading, unloading or dumping or storage of such goods, articles, products or by-products.

- D. **Determination of Gross or Whole Volume Business.** Gross or whole volume of business upon which the tax hereunder is computed shall include the gross consideration credited or received for or on account of sales made, rentals and/or services rendered, subject only to the following allowable deductions and exemptions:
- (1) The dollar volume of business transacted by wholesale and retail dealers from the resale of goods, wares and merchandise taken by any dealer as trade-in or as part payment for other goods, wares and merchandise, except to the extent that the resale price exceeds the trade-in allowance.
 - (2) Refunds, credits or allowances given by a taxpayer to a purchaser on account of defects in goods, wares or merchandise sold or on account of goods, wares or merchandise returned.
 - (3) Any commission paid by a broker to another broker on account of a purchase or sales contract initiated, executed or cleared with such other broker.
 - (4) Bad debts, where the deduction is also taken in the same year for Federal income taxation purposes.
 - (5) Taxes collected as agent for the United States of America, Commonwealth of Pennsylvania or the City of Lock Haven.
- E. **Partial Exemptions.** Where gross or whole volume of business in its entirety cannot be subjected to the tax imposed by this Part by reason of the provisions of the Constitution of the United States or any other provision of law, the Tax Administrator, with the approval of the Council of the City of Lock Haven, shall establish rules and regulations and methods of allocation and evaluation so that only that part of the gross or whole volume of business which is properly attributable and allowable to doing business in the City shall be taxed hereunder.
- F. **Rate When Same Tax Is Imposed By Two Taxing Bodies.** If any person is liable for the same tax on the same subject imposed under the Local Tax Enabling Act and its amendments, to the City and one or more political subdivisions of the State, then, and in that event, the tax shall be apportioned by such percentage as may be agreed upon by such political subdivisions, but in no event shall the

combined taxes of both subdivisions exceed a maximum rate of tax as fixed by said Enabling Act permitting the imposition of such taxes, and if no maximum rate of tax is fixed by said Enabling Act, the tax due hereunder shall be reduced by the amount of tax on the same subject collected by one or more other political subdivision(s); provided, however, that said reduction shall be limited to an amount not to exceed 50% of the amount otherwise due hereunder.

- G. **Records.** The taxpayer, to obtain the foregoing enumerated exclusions and deductions, shall keep books and records of his business so as to show clearly, accurately and separately the amount of such sales and services as are excluded from the tax and the amounts of such sales and services which he is entitled to deduct from the gross volume of business as hereinbefore provided.

(Ord. 415B, 8/31/1992, §III)

§24-504. Returns.

1. Every return shall be made upon a form furnished by the Tax Administrator. 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 1 of the full calendar year previous to the beginning of any tax year shall on or before the June 15 of the tax year file with the Tax Administrator a return setting forth his name, his business address and other such information as may be necessary in arriving at the actual gross amount of business transacted by him during the preceding calendar year and the amount of the tax due.
3. Every person subject to the tax imposed by this Part who has commenced his business before the beginning of the tax year but after January 1 of the full calendar year previous to the beginning of the tax year shall on or before June 15 of the tax year file with the Tax Administrator a return setting forth his name, his business, business address and such other information as may be necessary in arriving at the estimated gross amount of business transacted by him as calculated under §24-503(B)(2) hereof and the amount of tax due, provided 100 days have elapsed from the commencement of the business to June 15 of the tax year. If a taxpayer has not been in business for 100 days as of June 15 of the tax year, whether or not he commenced business within the tax year, his return shall be filed within 100 days of the commencement of his business.
4. Every person subject to the payment of the tax imposed by this Part who engages in a business temporary, seasonal or itinerant by its nature shall at the commencement of business for the tax year file a return with the Tax Administrator setting forth his name, his business, his business address and such information as may be necessary in arriving at the estimated gross amount of business to be transacted by him as calculated in accordance with §24-503(b)(1).

TAXATION, SPECIAL

5. Any person going out of or ceasing to do business shall, within 7 days from the date of ceasing to do business, file a return showing the actual gross volume of business conducted and done by such person during the tax year in which said person ceased doing business and pay the tax due as computed thereon at the rate herein provided for at the time of filing said return. If such tax has been previously paid based upon estimated gross receipts, the taxpayer shall be entitled to a refund, without interest, of any excess tax paid for the tax year in which business was terminated.
6. **Payment of Tax and Penalties for Late Payment.** The business privilege tax levied pursuant to this Part shall be due and payable on the date on which the taxpayer is required to file a return as set forth above. All taxpayers who shall fail to pay said tax by the due date shall be charged a penalty of 10%, plus an additional 1% per month or fractional part of a month, commencing with the penalty period, until said tax is paid.
7. **Receipt.** The Tax Administrator shall, when requested, upon payment to him of the business privilege tax, give the person paying the same a receipt therefor.

(Ord. 415B, 8/31/1992, §IV)

§24-505. Registration.

After the effective date of this Part, any person desiring to commence or recommence any business, as herein defined, within the City of Lock Haven shall register with the Tax Administrator and shall pay a one time registration fee in an amount as established from time to time by resolution of City Council. Registration shall be permanent, but will expire when the business is inactive for 1 complete tax year.

(Ord. 415B, 8/31/1992, §V; as amended by Ord. 670, 2/24/2003, §1)

§24-506. Penalty.

Any person who conducts, transacts or engages in any of the businesses subject to the tax imposed by this Part, without having first registered with the Tax Administrator, or who fails to file a tax return as required by the provisions of this Part, or who willfully files a false return, or who fails to maintain such records and books of account as shall enable him to make a true and correct return in accordance with the provisions of this Part or any person or persons subject to, or supposed to be subject to, the tax imposed by this Part who refuses to allow the Tax Administrator or his deputies to examine the books, papers and records of any such person or persons or who fails to comply with any other provision of this Part shall, upon conviction in a summary proceeding, be sentenced to pay a fine of not more than \$600 plus cost and, in default of payment of such fine and costs, to a term of imprisonment not to exceed 30 days.

(Ord. 415B, 8/31/1992, §VI; as amended by Ord. 670, 2/24/2003, §1)

§24-507. Continuing Offense.

Each day on which such person violated the Part may be considered as a separate offense and punishable as such as aforeprovided, without the necessity of filing a separate complaint.

(Ord. 415B, 8/31/1992, §VII)

§24-508. Duties of Tax Administrator.

1. The Tax Administrator is charged with the duties of collecting and receiving the taxes, fines and penalties imposed by this Part. It shall be his duty to keep a record showing the amount received from each person paying the tax and the date of such receipt.
2. The Tax Administrator and his duly appointed deputies are hereby empowered, with the approval of the Council of the City of Lock Haven, 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 as to which an overpayment is 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 Administrator or his duly appointed deputies shall assess said person or persons on such an amount of whole or gross volume of business as the said Tax Administrator or his deputies deem reasonable and appropriate. In all cases of assessment, the Tax Administrator or his duly appointed deputies 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 or levied.
4. The taxpayer shall maintain such records and books of account as will enable him to make a true and accurate return in accordance with the provisions of this Part. Such accounts and records must disclose in detail the gross receipts and other data pertaining to the taxpayer's gross volume of business and must be sufficiently complete to enable the Tax Administrator or his deputies to verify all transactions. The Tax Administrator or his deputies 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 the 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 Administrator shall have the right to appeal to the Court of Common Pleas, as in other cases.

(Ord. 415B, 8/31/1992, §VIII)

§24-509. Confidential Nature of Returns, Etc.

Any information gained by the Tax Administrator or any other official, agent or employee of the City of Lock Haven as a result of any returns, investigations, hearings or verifications required or authorized by this Part shall be confidential, except in accordance with proper judicial order or as otherwise provided by law.

(Ord. 415B, 8/31/1992, §IX)

§24-510. Suit On Collection of Penalty.

1. The Tax Administrator or his duly appointed deputies shall have the power, in the name of the City of Lock Haven, to institute proceedings against any and all persons who violate the provisions of this Part.
2. If for any reasons 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.

(Ord. 415B, 8/31/1992, §X)

PART 6

MERCANTILE TAX

§24-601. Definitions.

The following words or phrases, when used in this Part, shall have the meaning ascribed to them in this Section, except when the context indicates a different meaning:

ENGAGE IN BUSINESS - engage in business within the City of Lock Haven.

FISCAL YEAR - the City of Lock Haven's fiscal year, beginning the first day of January.

GROSS or WHOLE VOLUME OF BUSINESS - both cash and credit transactions occurring within the City of Lock Haven, excepting that the tax shall not be levied on the dollar volume of business transacted by wholesale and retail dealers derived from the resale of goods, wares and merchandise taken by any dealer as a trade-in or as part payment for other goods, wares and merchandise, except to the extent that the resale price exceeds the trade-in allowance.

PERSON - natural persons, corporations, partnerships, associations, firms and fiduciaries. Whenever used in any clause prescribing and imposing a penalty, the term "person," as applied to associations shall mean the partners or members thereof and as applied to corporations, the officers thereof. The term "person" shall not include those corporations or associations organized for religious, charitable or educational purposes, nor agencies of the government of the United States or of the Commonwealth of Pennsylvania.

QUARTERLY or QUARTER - one of the four periods into which the fiscal year is divided, namely as follows:

FIRST QUARTER - January 1 to March 31.

SECOND QUARTER - April 1 to June 30.

THIRD QUARTER - July 1 to September 30.

FOURTH QUARTER - October 1 to December 31.

RETAIL DEALER OR VENDOR - any person who is a dealer in, or a vendor of, goods, wares and merchandise, who is not a wholesale dealer or wholesale vendor.

TAX COLLECTOR - the person, whether an individual, partnership, association or any other entity, appointed by the City of Lock Haven to collect the tax hereinafter imposed.

TEMPORARY, SEASONAL or ITINERANT BUSINESS - any business that is conducted at one location for less than 60 consecutive calendar days.

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WHOLESALE DEALER or VENDOR - any person who sells to dealers in, or vendors of, goods, wares and merchandise, and shall include any merchandise broker, factor or commission merchant.

(Ord. 189B, 12/29/1989, §I)

§24-602. Imposition of Tax.

A tax for general revenue purposes is hereby imposed upon the privilege of doing business within the City of Lock Haven, according to the following schedule:

- A. Wholesale vendors or dealers in goods, wares and merchandise at the rate of 1 mill on each dollar or whole or gross volume of business transacted.
- B. Retail vendors or dealers and such businesses which may not be said to be wholesale or retail, including all theaters and moving picture houses; morticians; tombstone and monument dealers; meat dealers; grocers; druggists, confectioners; restaurants or other places where food, drink or refreshments are sold; produce and merchandise vendors; stationers; jewelers; lumber dealers, including commission men and all persons who make a business of buying lumber for sale; persons engaged in the development or improvement of real estate for profit; new and used furniture dealers; merchants offering for sale goods, wares or merchandise at public auction; and those who engage in or conduct any of the several trades, businesses or occupations herein enumerated with the use of vending machines; and dealers and/or collectors of salvage, rags, junk, ashes or refuse, at the rate of 1½ mills on each dollar of gross volume of business transacted.
- C. Persons who are engaged in a business which is both wholesale and retail, or in both types of business, at the rate of 1 mill on each dollar of the annual gross volume of wholesale business transacted and at the rate of 1½ mills on the gross volume of retail business transacted.
- D. Persons who are engaged in a business, temporary, seasonal or itinerant by its nature, if at wholesale at the rate of 1 mill on each dollar of the whole volume gross of business transacted within the territorial limits of the City of Lock Haven and, if at retail, at the rate of 1½ mills on each dollar of the whole volume gross of business transacted by him within the territorial limits of the City of Lock Haven.

(Ord. 189B, 12/29/1989, §II)

§24-603. Returns.

1. Every person subject to the tax herein imposed by this Part shall make a quarterly return to the Tax Collector upon a form provided by the Tax Collector, which form shall include the computed quarterly gross volume of business, the classification of the business, the rate of the tax and such other pertinent information as the Tax Collector may require. Every return shall be given under oath as to the facts appearing thereon or may be certified to as a true and correct and complete return given under penalty of perjury. The return for a quarter as required in this Section shall be filed on or before the fifteenth day of the quarter next succeeding the quarter for which the return is to be filed; that is, the return for the quarter from July 1 to September 30 shall be filed on or before October 15, and likewise for the following quarters on the fifteenth day of January, April and July, respectively. No person, however, shall be considered to have failed to have filed a return under this Section until 15 days after the date for filing the return.
2. Those temporary, season or itinerant persons who shall engage in business for a period of less than 60 consecutive days shall file their return on the day they conclude their business, but the Tax Collector, in his discretion, may extend the time of filing an additional 15 days before the person will be considered to have failed to file a return.

(Ord. 189B, 12/29/1989, §III)

§24-604. Improper Returns and Failure to File a Return.

1. If the Tax Collector is of the opinion that any person shall have made a return that is not true and correct or shall have failed to file a return, the Tax Collector shall assess the said person for such gross volume of business and at such rate and in such classification as shall be proper. The Tax Collector may make an assessment at any time after the returns have been filed, or after the returns have not been filed.
2. If the Tax Collector shall make an assessment, the Tax Collector shall give notice of the assessment to the person affected. Such notice shall set forth the fact of the assessment, the classification of the business, the rate of tax and the tax due according to the assessment. Any person aggrieved by any decision of the Tax Collector shall have the right to appeal to the appropriate court as in other cases provided.

(Ord. 189B, 12/29/1989, §IV)

§24-605. Payment.

1. Payment of the tax imposed by this Part for a quarter shall be made on or before the fifteenth day of the quarter next succeeding the quarter for which the tax is to be paid, but no tax imposed by this Part shall be considered overdue until 15 days after the date for paying the tax.

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2. As assessment or appeal shall not affect the day payment is due, but any amounts imposed by an assessment shall be considered due as above, that is retroactively from the final assessment.
3. Those persons who engage in business for a period of less than 60 days consecutively shall pay the tax imposed by this Part on the day their return should be filed with the Tax Collector according to §26-603, above, and the tax will be immediately overdue if not paid by such date.

(Ord. 189B, 12/29/1989, §V)

§24-606. Issuance of Receipts.

The Tax Collector shall issue a receipt upon payment of the tax imposed by this Part. If an additional sum is found due under an assessment, the Tax Collector shall issue a supplemental receipt upon payment of the additional sum.

(Ord. 189B, 12/29/1989, §VI)

§24-607. Retention of Receipts.

Every person who shall have received a receipt issued in accord with §24-606, above, shall retain the same and exhibit it upon request during a period of 1 year after the time when the tax which is receipted shall have become due.

(Ord. 189B, 12/29/1989, §VII)

§24-608. Conduct of Business Without Paying Tax.

No person shall conduct any business subject to the payment of the tax imposed by this Part after the payment of the tax shall have become overdue and remain unpaid.

(Ord. 189B, 12/29/1989, §VIII)

§24-609. Fines and Penalties.

Any person or any officer, agent, employee, employer or servant who knowingly makes any incomplete, false or fraudulent return or application required in this Part or who fails, neglects, or refuses to file a return required by this Part 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 constitute a separate offense.

(Ord. 189B, 12/29/1989, §IX; as amended by Ord. 670, 2/24/2003, §1)

§24-610. Suit on Collection and Penalty.

The Tax Collector may sue for the recovery of taxes due and unpaid under this Part. If for any reason the tax is not paid when due in each year, interest at the rate of 6% per annum on the amount of said tax and an additional penalty of 1% per annum on 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 penalties herein imposed.

(Ord. 189B, 12/29/1989, §X)

