

**MUNICIPALITY OF MURRYSVILLE  
WESTMORELAND COUNTY, PENNSYLVANIA**

**ORDINANCE NO. 757-07**

**AN ORDINANCE AMENDING THE MURRYSVILLE CODE, ARTICLE V, and ORDINANCE NO. 676-04 "EMERGENCY AND MUNICIPAL SERVICES TAX" TO RENAME IT "LOCAL SERVICES TAX (LST)"; TO PROVIDE FOR AN EXEMPTION FROM SAID TAX FOR ANY PERSON WHOSE EARNED INCOME FROM ALL SOURCES IS LESS THAN \$12,000.00 FOR THE TAX YEAR, AND TO ESTABLISH A STANDARDIZED METHOD FOR COLLECTION OF SAID TAXES.**

**WHEREAS**, the Commonwealth of Pennsylvania enacted "The Local Tax Enabling Act" (Act 511 of 1965) that granted to local municipalities authority to impose and collect, inter alia, an occupational privilege tax; and

**WHEREAS**, the Legislature of the Commonwealth of Pennsylvania passed Act 222 of 2004 which was signed by the Governor, and which contains provisions, inter alia, to change the name of the Occupational Privilege Tax to the "Emergency and Municipal Services Tax", and to increase the amount thereof to a maximum of \$52.00 per calendar year, and to provide for a low income exemption, and to restrict use of said funds; and

**WHEREAS**, the Legislature of the Commonwealth of Pennsylvania has passed Act 7 of 2007 which has been signed by the Governor, and which contains provisions, inter alia, to change the name of the "Emergency and Municipal Services Tax" to the "Local Services Tax" (LST); and

**WHEREAS**, the Council of the Municipality of Murrysville desires to conform the Murrysville Code to the directives and provisions of Act 7 of 2007 in changing the name of said tax, as aforesaid, and to avail itself of the additional tax power provided in Act 7 of 2007, and to provide for an upfront low income exemption, and to restrict the use of said funds, and to establish a standardized method for collection. The Council of the Municipality of Murrysville contemplates an enactment of this; and

**NOW, THEREFORE,**

**BE IT ORDAINED AND ENACTED**, and it is hereby ordained and enacted by the Council of the Municipality of Murrysville, Westmoreland County, Pennsylvania, pursuant to the authority of Section C-26 (M) of the Municipality of Murrysville Home Rule Charter, Act 222 of 2004 and Act 7 of 2007

**ARTICLE I.** Murrysville Code, Article V, "Emergency and Municipal Services Tax", is herein amended so that any reference to the term "Emergency and Municipal Services Tax" in Article V of the Murrysville Code shall hence forth mean the "Local Services Tax" (LST), and shall be so substituted throughout Article V, and such substitution shall extend with like force and effect to any other reference to the term "Emergency and Municipal Services Tax" that may be present in any other Article, Section or Subsection of the Murrysville Code.

**ARTICLE II.** Murrysville Code, Article V, Local Services Tax (as said tax is now known by this amendment), Section 206-41 Imposition of Tax, Subsection A, maintains the annual LST at fifty two dollars (\$52.00) for each calendar year, as follows:

- A. An annual tax for general revenue purposes of fifty-two dollars (\$52.00) is hereby imposed on all individuals for the privilege of engaging in an occupation in the municipality, as herein provided.

**ARTICLE III.** Murrysville Code, Article V, Local Services Tax, Section 206-41 Imposition of Tax, Subsection B, is herein amended to substitute the language prescribed by state law to establish the situs of such Local Services Tax, and the priority of claim for collection of said tax, as follows:

- B. The situs of the LST shall be the place of employment, but in the event a person is engaged in more than one occupation, or an occupation which requires his/her working in more than one political subdivision during the calendar year, the priority of claim to collect the LST shall be in the following order:

**FIRST**, the political subdivision in which a person maintains his principal office or is principally employed;

**SECOND**, the political subdivision in which the person resides and works, if such a tax is levied by that political subdivision;

**THIRD**, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home. The place of employment shall be determined as of the day the taxpayer first becomes subject to the tax during the calendar year.

It is the intent of this provision that no person shall pay more than fifty-two dollars (\$52.00) in any calendar year as a LST irrespective of the number of political subdivisions within which such person may be employed within any given calendar year. In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment will constitute prima facie certification of payment to all other political subdivisions.

**ARTICLE IV.** Murrysville Code, Article V, Local Services Tax, Section 206-42, Collection and Disposition, Subsection D, is herein amended to require each employer to collect the annual Local Services Tax of fifty-two (\$52.00), as follows:

- A. Each employer within the Municipality of Murrysville shall begin to withhold the tax liability of fifty-two dollars (\$52.00) from the compensation of all individuals (except as provided in Section 206-41 of the Murrysville Code) on either the first day of employment or the first pay of January commencing with 2008. Said deductions shall be made based on the number of annual payroll periods and are prohibited from being withheld in a lump-sum payment. The amount of tax deducted shall be remitted to the local taxing authority within 30 days of the end of each quarter.
- B. In the event an employee files an upfront exemption certificate but exceeds the \$12,000 limit for exemption, the employer can "restart" withholding by withholding (1) a "catch-up" lump sum tax equal to the amount of tax that was not withheld and (2) the same amount per payroll period that is withheld from other employees.

**ARTICLE V.** Murrysville Code, Article V, Local Services Tax, is herein amended to include additional new sections, providing for the following:

A. **Section 206-49 *Use of Revenue.*** - The Local Services Tax revenues under the increased tax levy are restricted to the following uses: police, fire and emergency services; road construction and/or maintenance; or reduction of property taxes. At least 25% of the tax revenue must be used for emergency services including police, fire and ambulance protection.

B. **Section 206-50 *Exemption from Payment and Refund from Overpayment.***

***Exemptions from Payment*** – Persons whose total earned income and net profits from all sources within the political subdivision are less than \$12,000 for the calendar year are exempt from the Local Services Tax. “Income from all sources” is defined as the same “earned income” and “net profits” that are used to determine the local earned income tax. In addition (1) any person who has served in any war or armed conflict in which the United States was engaged and is honorably discharged or released under honorable circumstances from active service if, as a result of military service, the person is blind, paraplegic or a double or quadruple amputee or has a service-connected disability declared by the United States Veterans’ Administration or its successor to be a total one hundred percent disability; (2) any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year. (Local Services Tax – Exemption Certificate is attached as Exhibit 1.)

***Refunds from Overpayment*** – Any refunds shall be in accordance with provisions of the general municipal law relating to refunds of overpayments and interest on overpayments. No refunds shall be made for amounts that do not exceed one dollar (\$1). (Local Services Tax- Refund Application is attached as Exhibit 2.)

C. **Section 206-51 *Effective Date.*** – This Ordinance is effective upon the date of enactment and applies to tax years beginning with 2008, and shall continue in force for succeeding fiscal years without annual reenactment.

THIS ORDINANCE ORDAINED AND ENACTED AT A REGULARLY  
CONSTITUTED DULY CONVENEED MEETING OF THE COUNCIL OF  
THE MUNICIPALITY OF MURRYSVILLE THIS 19<sup>th</sup> DAY OF  
December, 2007.

**COUNCIL OF THE MUNICIPALITY OF MURRYSVILLE**

Nancy Kacin  
Nancy Kacin, Council President

John Barrett  
John Barrett, Municipal Secretary

(Seal)

APPROVED/REJECTED:

Joyce K. Somers  
Joyce K. Somers, Mayor

Dated: December 19, 2007

Member	Yes	No	Absent	Abstain
Nancy Kacin	✓			
Robert J. Brooks	✓			
Joan C. Kearns	✓			
Jeffrey Franke	✓			
Lawrence Nicolette	✓			
Dennis Pavlik	✓			
Theo van de Venne	✓			