

TOWNSHIP OF MOUNT JOY

Lancaster County, Pennsylvania

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE MOUNT JOY TOWNSHIP CODE OF ORDINANCES, CHAPTER 123, TAXATION, TO ADD A NEW ARTICLE V, LOCAL SERVICES TAX.

BE AND IT IS HEREBY ORDAINED AND ENACTED by the Board of Supervisors of the Township of Mount Joy, Lancaster County, Pennsylvania, as follows:

Section 1. The Code of Ordinances of the Township of Mount Joy, Chapter 123 thereof, Taxation, shall be amended to insert a new Article V, Local Services Tax, which shall provide as follows:

Article V

Local Services Tax

§123-61. Short title and authority.

This article shall be known and may be cited as the "Mount Joy Township Local Services Tax Ordinance." This article is enacted under the authority of the Local Tax Enabling Act, 53 P.S. § 6924.101 et seq.

§123-62. Definitions.

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

BOARD OF SUPERVISORS

The governing body of the Township.

COLLECTOR

The person or agency appointed from time to time by the Board of Supervisors to assess and collect the tax imposed under and to administer the provisions of, this article.

COMPENSATION

Salaries, wages, commissions, tips, bonuses, fees, or any other payment or income.

EARNED INCOME

As defined in the Local Tax Enabling Act, 53 P.S. §6924.501, as amended.

EFFECTIVE DATE

January 1, 2027.

EMPLOYEE

An individual paid compensation by an employer to perform work or services of any kind.

EMPLOYER

Any individual, partnership, limited partnership, unincorporated association, institution, trust, corporation, government agency, or other entity engaged in business or operating within the Township, employing one or more individuals engaged in any occupation, other than domestic servants.

ENABLING ACT

The Local Tax Enabling Act, 53 P.S. §6924.101 et seq., and as amended in the future.

HE, HIS, or HIM

Indicate the singular and plural number as well as male, female and neuter gender.

INDIVIDUAL

Any person, male or female, engaged in any occupation, trade or profession within the corporate limits of the Township.

LTEA

Local Tax Enabling Act, 53 P.S. §6924.101 et seq., as amended.

NET PROFITS

As defined in the Local Tax Enabling Act, 53 P.S. §6924.501, as amended.

OCCUPATION

Any livelihood, job, trade, profession, business or enterprise of any kind, including services, domestic or other, for which any compensation is received.

REGULATIONS

Regulations duly adopted by the Collector for administration of the tax. To the extent allowed by law, including but not limited to 1 Pa. C.S. §1937, the Board of Supervisors intends to incorporate future amendments to the regulations. If a court prohibits such construction, the Board of Supervisors intends to incorporate the regulations as they exist on the date of adoption of this article. A copy of the regulations currently in force shall be available for public inspection.

SCHOOL DISTRICT

Collectively the Donegal School District and the Elizabethtown Area School District.

TAX

The tax imposed by this article.

TAX RETURN

A form prescribed by the Collector for reporting the amount of any tax deducted from an employee or otherwise owed under this article.

TAX YEAR

The period from January 1 to December 31.

TAXPAYER

Any individual on whom the tax is imposed.

TOWNSHIP

The Township of Mount Joy, Lancaster County, Pennsylvania.

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

§123-63. Imposition of tax and adoption of regulations.

- A. The Township hereby imposes a local services tax of \$52 on each individual who engages in an occupation within the boundaries of the portion of the Township within the Elizabethtown Area School District, subject to any reduction which may be required as a result of the Elizabethtown Area School District imposition of an occupational privilege tax. The local services tax is imposed for the tax year starting on the effective date and ending on the next December 31. The local services tax is imposed for each tax year thereafter without annual reenactment, until this article is repealed or amended.
- B. The Township hereby imposes a local services tax of \$52 on each individual who engages in an occupation within the boundaries of the portion of the Township within the Donegal School District, subject to any reduction which may be required as a result of the Donegal School District imposition of an occupational privilege tax. The local services tax is imposed for the tax year starting on the effective date and ending on the next December 31. The local services tax is imposed for each tax year thereafter without annual reenactment, until this article is repealed or amended.
- C. The local services tax is based on an individual engaging in an occupation within the Township at any time during the tax year.
- D. All provisions of the LTEA imposing requirements applicable to a local services tax are incorporated into this article. All provisions of the regulations are incorporated into this

article. If there is any discrepancy between the regulations and the LTEA, the provisions of the LTEA shall control.

- E. This tax is in addition to all other taxes of any kind or nature heretofore levied by the Township, and this tax shall continue in force on a calendar-year basis, without annual reenactment, unless the rate of the tax is subsequently changed or this article is repealed. The tax is imposed and proceeds of the tax shall be used in accordance with all applicable requirements of the LTEA.

§123-64. Exemptions from tax.

- A. An individual whose total earned income and net profits from all sources within the Township in any tax year is less than \$12,000 is exempt from the tax for the tax year.
- B. Individuals may also be exempt for other reasons, including disability resulting from serving in the armed forces, active duty as a member of a reserve component of the armed forces, and other reasons as set forth in the regulations.
- C. An individual may obtain exemption prospectively by filing a local services tax exemption certificate on a form provided by the Collector in accordance with the regulations. The exemption certificate shall be filed with the Collector, and if the individual is an employee also with the individual's employer.
- D. If an individual pays the tax and at the end of any tax year has total income during the tax year that is less than the income exemption amount, or otherwise qualifies for an exemption, the Township will on request after the end of tax year refund to the taxpayer the tax paid for the tax year.

§123-65. Individuals who engage in occupation in multiple jurisdictions.

Rules applicable to individuals who engage in an occupation in multiple jurisdictions are as set forth in the regulations.

§123-66. Collection by employer; return and payment.

- A. Every employer not registered under the provisions of an enactment of the Township imposing a tax on earned income and net profits shall, within 30 days after the effective date of this article, or within 30 days after first becoming an employer, register with the Collector the employer's name, address and any other information required by the Collector on an employer registration form prescribed by the Collector.
- B. Every employer is required to deduct the tax as set forth in the regulations from any compensation payable to any employee on whom the tax is imposed, unless the employee has filed a local services tax exemption certificate in accordance with the regulations. As set forth in the regulations, the full amount of the tax shall be deducted in lump sum if the combined municipal and school district tax rate is \$10 or less. As set forth in the regulations, the tax shall be deducted pro rata on a per payroll basis if the combined municipal and school district tax rate exceeds \$10.

- C. If an employee has filed a local services tax exemption certificate and it is determined as set forth in the regulations that the employee is not eligible for exemption or no longer eligible for exemption, the employer shall start or restart withholding as set forth in the regulations.
- D. As to each taxpayer employed at any time after the effective date and on or before March 31, every employer shall deduct the tax from compensation payable to the taxpayer as set forth in the regulations, and shall file a tax return and pay to the Collector on or before April 30 the amount of tax deducted on or before March 31. As to each taxpayer for whom the full amount of the tax has not previously been deducted or paid directly by the taxpayer to the Collector, who is employed at any time in any of the three-month periods ending June 30, September 30, and December 31, every employer shall deduct the tax from compensation payable to the taxpayer as set forth in the regulations, and shall file a tax return and pay to the Collector on or before the following July 31, October 31, and January 31, the amount of tax deducted on or before June 30, September 30, and December 31, respectively. Every employer shall follow this same procedure in every tax year.
- E. If a taxpayer is employed by more than one employer within the Township, the taxpayer's principal employer shall deduct the tax and deliver to the employee evidence of the deduction on a form provided by the Collector. An employer shall not deduct the tax from compensation of an employee who presents evidence on a form provided by the Collector of prior deduction by an employer within the Township, or who provides evidence on a form provided by the Collector of prior payment of the tax directly to the Collector or of prior payment during the same tax year of \$52 for persons engaging in an occupation in the Elizabethtown Area School District or \$52 for persons engaging in an occupation in the Donegal School District, less any amount required to be deducted if the applicable School District imposes an occupational privilege tax, as a tax imposed under the enabling act on an individual based on engaging in an occupation in Pennsylvania.
- F. Any employer who discontinues business or ceases operation shall within 15 days after discontinuing business or ceasing operations, file a tax return and pay to the Collector the full amount of the tax deducted from employees prior to ceasing operations.
- G. Tax amounts deducted from wages by an employer shall at all times be the property of the Township and shall constitute a trust fund held by the employer until remitted to the Collector; and deduction of tax from wages shall, as between the employee and the Township, constitute payment of the tax by the employee, regardless of any insolvency or failure to remit by the employer.
- H. Any employer who fails to deduct the tax or who fails to pay the tax to the Collector shall be liable for the tax and applicable penalties in full as though the tax had originally been imposed against such employer. If the employer is a partnership, the partners thereof, and if the employer is a corporation or limited liability company, all officers thereof, shall have the same liability as the employer.

§123-67. Self-employed individuals.

Every individual who is self-employed, or whose tax for any other reason is not deducted by an employer under §123-66 shall file a tax return and pay the tax directly to the Collector. Every such individual engaged in an occupation within the Township at any time after the effective date of this article and on or before March 3, shall file a tax return and pay the full amount of the tax to the Collector on or before April 30. Every such individual who has not previously paid the full amount of the tax, who engages in an occupation within the Township at any time in any of the three-month periods ending June 30, September 30, and December 31, shall file a tax return and pay the full amount of the tax to the Collector on or before the following July 31, October 31, and January 31, respectively. Every individual who is self-employee, or whose tax for any other reason is not deducted by an employer under §123-66 shall follow this same procedure in every tax year.

§123-68. Nonresident taxpayers.

By virtue of engaging in an occupation within the Township, both resident and nonresident individuals are subject to the tax.

§123-69. Powers and duties of Collector.

- A. The Collector shall collect the tax, fines and penalties imposed by this article and shall keep records of collection.
- B. The Collector may examine the books, papers, and records of any individual or employer in order to verify compliance with this article. Every individual the Collector believes might be subject to the tax and every employer or person the Collector believes might be an employer shall on request meet with and show to the Collector all books, papers, and records requested by the Collector. Every employer or person the Collector believes might be an employer shall also provide access to the employer's books, papers, and records at the employer's place of business and provide a place for the Collector's review of such books, papers, and records. For purposes of this article, records shall include records in any form, including computer and other electronic records.
- C. The Collector may file suit in its name or in the name of the Township for recovery of any amount owed to the Township.
- D. Except as limited by any applicable law, the Collector shall have all of the powers that the Township has or that the law prescribes for Tax Collectors relating to administration and enforcement of this article.
- E. The Collector may promulgate and enforce regulations relating to administration and enforcement of this article.

§123-70. Recovery of unpaid tax; interest and penalty added to unpaid tax.

- A. In the event that any tax under this article remains due or unpaid, a penalty of 1% of the amount unpaid for each month or a fraction of a month during which the amount remains

unpaid shall be imposed with a maximum penalty of 15%. In addition interest shall apply on the unpaid amount at the rate established by the Pennsylvania Department of Revenue.

- B. Any individual or entity who or which fails or refuses to pay tax or other amounts owed or to pay tax deducted from employees shall, in addition to paying the amount owed, pay reasonable costs incurred, as set forth in the regulations, by the Township, Collector, or any other person or entity appointed to collect the amount, to provide notices of delinquency or to implement similar procedures to collect delinquent taxes.
- C. If legal proceedings are commenced for failure to pay any amount owed, the person or entity liable therefor shall, in addition to the amount owed, pay to the Township, Collector, or any other person or entity appointed to collect the tax the costs of collection, including reasonable attorneys' fees.
- D. The failure of any person or entity to receive or procure forms required for making a required filing or return shall not excuse making such a filing or return.

§123-71. Prohibited acts; penalty for violation.

Any person who makes any false or untrue statement on any return required by this article, 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 article commits a violation of this article. If the Board of Supervisors or the Collector determines that a person has committed or permitted the commission of a violation of this article, the Township may institute summary criminal proceedings and/or may seek equitable relief. In the event summary criminal proceedings are instituted, the fine for each first offense shall be not less than \$500 and not more than \$2,500. Each day or portion thereof in which a violation exists shall be considered a separate violation of this article. Each section of this article which is violated shall be considered a separate violation. The amount of any fine imposed by a Magisterial District Judge or a court shall be in addition to any other fine which may be imposed under any other provisions of the Code of the Township of Mount Joy or under any statute. In default of payment of any fine, such person shall be liable to imprisonment for not more than 30 days. The action to enforce the article may be instituted against any person in charge of the business of any employer who shall have failed or refused to file a return required by this article.

§123-72. Appointment of Collector.

The Lancaster County Tax Collection Bureau is appointed collector according to the terms of a Tax Collection Agreement as authorized by the Board of Supervisors. The Officers of this Township are authorized to take any actions necessary or appropriate to carry out the term of this article and the Tax Collection Agreement.

§123-73. Applicability; validity.

- A. Nothing contained in this article shall be construed to empower the Township to levy and collect the tax hereby imposed on any occupation not within the taxing power of the Township under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.

- B. If the tax hereby imposed under the provisions of this article shall be held to be in violation of the Constitution of the United States or of the laws of the Commonwealth of Pennsylvania as to any individual, such decision shall not affect or impair the right to impose or collect said tax, or the validity of the tax so imposed, on other persons or individuals as herein provided.
- C. It is the intent of this article that the entire burden of the tax imposed on an occupation by the Township and a School District shall not exceed the limitations prescribed in Section 307 of the LTEA, 53 P.S. § 6924.307.

§123-74. Effective date.

This article shall take effect and be in force on January 1, 2027.

Section 2. All other sections, parts and provisions of the Mount Joy Township Code of Ordinances shall remain in full force and effect as previously enacted and amended.

Section 3. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such invalidity, illegality or unconstitutionality shall not affect or impair the remaining provisions, sections, sentences, clauses or parts of this Ordinance, it being the intent of the Board of Supervisors that the remainder of the Ordinance shall be and shall remain in full force and effect.

Section 4. This Ordinance shall take effect and be in force from and after its enactment as provided by law.

DULY ORDAINED AND ENACTED this _____ day of _____, 2026, by the Board of Supervisors of the Township of Mount Joy, Lancaster County, Pennsylvania, in lawful session duly assembled.

TOWNSHIP OF MOUNT JOY
Lancaster County, Pennsylvania

Attest: _____
(Assistant) Secretary

By: _____
(Vice) Chairman
Board of Supervisors

[TOWNSHIP SEAL]