

## **Chapter 306**

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## EAST WASHINGTON CODE

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**[HISTORY: Adopted by the Borough Council of the Borough of East Washington as indicated in article histories. Amendments noted where applicable.]**

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### ARTICLE I

#### **Earned Income and Net Profits Tax [Adopted 10-10-2011 by Ord. No. 507]**

##### **§ 306-1. Definitions.**

All terms defined in the Local Tax Enabling Act, 53 P.S. §6924.101 *et seq.*, shall have the meanings set forth therein. The following terms shall have the meanings set forth herein:

**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.

**COLLECTOR**—The person or entity appointed as tax officer pursuant to the Local Tax Enabling Act to collect the tax.

**COMBINED TAX RATE APPLICABLE TO RESIDENTS**—The total rate applicable to residents of the Taxing Authority, including the tax imposed by the school district and by the municipality in which the individual resides, is 1%.

**DOMICILE**—The place where a person lives and has a permanent home and to which the person has the intention of returning whenever 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 voluntarily fixed place of habitation of a person, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce the person to adopt some other permanent home. In the case of a business, domicile is that place considered to be the center of business affairs and the place where its functions are discharged.

**EARNED INCOME**—The compensation required to be reported to as determined by the Pennsylvania Department of Revenue under § 303 of the Tax Reform Code of 1971, as amended and rules and regulations promulgated thereunder. Employee business expenses as reported to or determined by the Department of Revenue under Article III of the Tax Reform Code shall constitute allowable deductions in determining earned income. The term does not include offsets for business losses. The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income.

**EFFECTIVE DATE**—January 1, 2012.

**EMPLOYER**—A person, business entity or other entity, employing one or more person for a salary, wage commission or other compensation. The term includes the Commonwealth, a

political subdivision and an instrumentality or public authority of either. For purpose of penalties under this article, the term includes a corporate officer.

**GOVERNING BODY**—Council of the Borough of East Washington, Washington County, Pennsylvania.

**LOCAL TAX ENABLING ACT**—The Local Tax Enabling Act, 53 P.S. § 6924.101 *et seq.*, and any amendments thereto.

**MUNICIPAL TAX RATE APPLICABLE TO NONRESIDENTS**—The total rate applicable to nonresidents working within the Taxing Authority based on the municipal non-resident tax rate is ½%.

**NET PROFITS**—The net income from the operation of a business, other than a corporation, as required to be reported to or as determined by the Pennsylvania Department of Revenue under § 303 of the Tax Reform Code of 1971, as amended and rules and regulations promulgated thereunder. The term does not include income under any of the following paragraphs:

- (1) Income which:
  - (a) Is not paid for services provided.
  - (b) Is in the nature of earnings from an investment.
- (2) Income which represents:
  - (a) Any gain on the sale of farm machinery.
  - (b) Any gain on the sale of livestock held for 12 months or more for draft, breeding or dairy purposes.
  - (c) Any gain on the sale of other capital assets of a farm.

**NONRESIDENT**—A person or business domiciled outside the Taxing Authority.

**RESIDENT**—A person or business domiciled in the Borough.

**PERSON**—A natural person.

**TAX**—The tax imposed by this article.

**TAX RETURN**—A form prescribed by the collector for reporting the amount of tax or other amount owed or required to be withheld, remitted, or reported under this article or the Local Tax Enabling Act.

**TAX YEAR**—The period from January 1 to December 31.

**TAXING AUTHORITY**—The Borough of East Washington, Washington County, Pennsylvania.

**TAXPAYER**—A person or business required under this article and the Local Tax Enabling Act to file a return of the earned income and net profits tax or to pay the earned income and net profits tax.

**TCC**—The Washington County Tax Collection Committee, which has been established to govern and oversee the collection of earned income tax within the TCD under the Local Tax Enabling Act.

**TCD**—Any tax collection district to which the Taxing Authority or any part of the Taxing

Authority is assigned under the Local Tax Enabling Act.

**§ 306-2. Imposition of tax.**

- A. General purpose resident tax. The Taxing Authority hereby imposes a tax for general revenue purposes at the rate of ½% on earned income and net profits of residents of the Taxing Authority.
- B. General purpose nonresident tax. The Taxing Authority also imposes a tax for general revenue purposes at the rate of ½% on earned income and net profits derived by an individual who is not a resident of the Taxing Authority, from any work, business, profession, or activity, of any kind engaged in within the boundaries of the Taxing Authority.
- C. Ongoing tax. The tax shall continue at the above rates during the current tax year and each tax year thereafter, without annual re-enactment, until this article is repealed or the rate is changed.
- D. Local Tax Enabling Act applicable. The tax is imposed under authority of the Local Tax Enabling Act, and all provisions thereof that relate to a tax on earned income or net profits are incorporated into this article. Any future amendments to the Local Tax Enabling Act that are required to be applied to a tax on earned income or net profits will automatically become part of this article upon the effective date of such amendment, without the need for formal amendment of this article, to the maximum extent allowed by 1 Pa.C.S.A. § 1937.
- E. Applicable laws, regulations, policies, and procedures. The tax shall be collected and administered in accordance with: (1) all applicable laws and regulations; and (2) policies and procedures adopted by the TCC or by the collector. This includes any regulations, policies, and procedures adopted in the future to the maximum extent allowed by 1 Pa.C.S.A. § 1937.

**§ 306-3. Individual tax returns and payments.**

Every resident receiving earned income or earning net profits in any tax year shall file tax returns and pay tax in accordance with the Local Tax Enabling Act and this article.

**§ 306-4. Employer withholding, remittance, and tax returns.**

Every employer shall register, withhold, and remit tax, and file tax returns in accordance with the Local Tax Enabling Act and this article.

**§ 306-5. Tax collector.**

The tax will be collected from residents and employers by the collector.

**§ 306-6. Interest, penalties, costs, and fines.**

Residents and employers are subject to interest, penalties, costs, and fines in accordance with the Local Tax Enabling Act, including costs imposed by the collector in accordance with

authorization by the TCC having jurisdiction.

**§ 306-7. Severability.**

The provisions of this article are severable and if any of its provisions are ruled by a court to be invalid or unconstitutional, such decision shall not affect or impair any of the remaining provisions of this article. It is declared to be the intention of the Borough that this article would have been adopted if such invalid or unconstitutional provision had not been included.

**§ 306-8. Purpose/repeal.**

The primary purpose of this article is to conform the earned income and net profits tax currently imposed by the Taxing Authority to the Local Tax Enabling Act, as amended and restated by Act 32 of 2008, and to do so within the time frame required by Act 32. Any prior ordinance imposing a tax on earned income or net profits of individuals is amended and restated in its entirety to read as stated in this article. Any other prior ordinance or part of any prior ordinance conflicting with the provisions of this article is rescinded insofar as the conflict exists. To the extent that this article is the same as any ordinance in force immediately prior to adoption of this article, the provisions of this article are intended as a continuation of such prior ordinance and not as a new ordinance. If this article is declared invalid, any prior ordinance levying a similar tax shall remain in full force and effect and shall not be affected by adoption of this article. If any part of this article is declared invalid, the similar part of any prior ordinance levying a similar tax shall remain in effect and shall not be affected by adoption of this article. The provisions of this article shall not affect any act done or liability incurred, nor shall such provisions affect any suit or prosecution pending or to be initiated to enforce any right or penalty or to punish any offense under the authority of any ordinance in force prior to adoption of this article. Subject to the foregoing provisions of this section, this article shall amend and restate on the effective date any ordinance levying a tax on earned income or net profits in force immediately prior to the effective date.

**§ 306-9. Effective date.**

The provisions of §§ 306-1 through 306-8 shall become effective on January 1, 2012.

**§ 306-10. Duty of certain owners of residential property to identify occupants. [Added 11-20-1995 by Ord. No. 450]**

- A. All owners of residential property within the Borough letting said residential property for occupancy, and all lessees of such owners subletting said residential property for occupancy, shall file with the Earned Income Tax Officer a report containing the names and addresses of all persons occupying or who have occupied said residential property during the 12 months preceding the report.
- B. The report shall be on a form prescribed by the Borough and shall be filed annually with the Borough Secretary no later than December 31 of each year.
- C. Any person, firm or corporation who shall violate any provision of this article shall, upon conviction thereof, be sentenced to pay a fine of not more than \$600 and/or to imprisonment

for a term not to exceed 90 days. [Amended 11-7-2005 by Ord. No. 481]

## **ARTICLE II**

### **Realty Transfer Tax**

[Adopted 2-16-1987 by Ord. No. 413; Amended 10-10-2011 by Ord. No. 507]

#### **§ 306-11. Title.**

This article is enacted pursuant to the authority granted by the Local Real Estate Transfer Tax Act, the Act of July 2, 1986, Act No. 77 of 1986, § 8-26, 72 P.S. §§ 8101-C through 8113-C, 8101-D through 8102-D, and the Local Tax Enabling Act, 53 P.S. § 6901 et seq., as amended; and shall be known as the “Realty Transfer Tax Ordinance.” Provisions hereof shall become effective on the 17th day of January, 1987, and continue through December 31, 1987; thereafter the tax shall continue in force in each subsequent fiscal year, without annual reenactment, unless the rate of tax is subsequently changed. Changes in rate shall become effective on the date specified in the amending ordinance.

#### **§ 306-12. Introduction.**

A realty transfer tax for general revenue purposes is hereby imposed upon the transfer of an interest in real estate situated within the Borough of East Washington, regardless of where the instruments or documents making the transfer are made, executed or delivered, or where the actual settlements on such transfer take place, as is hereinafter provided.

#### **§ 306-13. Definitions.**

The following words or phrases, when used in this article, have the meaning described to them in this section, except where the context clearly indicates a different meaning:

##### **ACQUIRED COMPANY—**

- A. 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 three years.
- B. 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 article.

**ASSOCIATION—**A partnership, limited partnership or any other unincorporated group of two or more persons other than a private trust or decedent’s estate.

**BOROUGH—**The Borough of East Washington, Pennsylvania.

**BUSINESS—**An enterprise, activity, profession or any other undertaking of an unincorporated nature conducted for profit or ordinarily conducted for profit whether a person, partnership,

association or any other entity.

**COLLECTING AGENT**—The Recorder of Deeds of Washington County, Pennsylvania. See Act 21 of 1983, 16 P.S. § 11011-6(c).

**CORPORATION**—A corporation, joint-stock association, business trust or banking institution which is organized under the laws of the United States, the Commonwealth of Pennsylvania, 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 to 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 § 306-9 of this article.

**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 or agriculture shall not be deemed to include:

- 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; or
- 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 the Borough, 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; or
- 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; or
- 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, consists 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, provided that 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.

TRANSACTION—The making, executing, delivering, accepting or presenting for recording of a document. As used herein, "transaction" shall not include:

- 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 of 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 one year from the date of condemnation.
- B. A document which the Borough 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 covenants; 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 one year shall be subject to tax as if the grantor were making such transfer.
- 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 for no or nominal actual consideration between principal and agent or straw party; or 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 article, provided that, 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 clause.
- L. A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation, except where it is reasonably determined that the primary intent for such merger, consolidation or division is avoidance of the tax imposed by this article.
- 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 two years, provided that, except as otherwise provided herein, 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 article, corporations and associations are entities separate and apart from their members, partners, stockholders or shareholders.
- 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: 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 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 transferor for commercial purpose.
- R. A transfer to a conservancy which possesses a tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, [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 due is \$1 or less.
- V. Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof.

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 other 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 or 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 is not determinable under

Subsection A or B, the actual monetary worth of such interest; or

- 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 or a related corporation, association or partnership and the grantee existing before or effective with the transfer.

**§ 306-14. General revenue purposes.**

On and after the effective date of this article, a tax for general revenue purposes, at the rate of ½% of the value of the real estate is hereby imposed, assessed and levied on 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 with respect to a transaction pertaining to real estate or any part thereof, lying, being and situated wholly or in part within the boundaries of the Borough, provided that, in the case of any real estate located partly within and partly without the boundaries of the Borough, such tax is imposed, assessed and levied only upon the value of that portion of real estate lying within the boundaries of the Borough.

**§ 306-15. Exemptions.**

This tax shall be due and payable and shall be paid 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, provided that:

- A. The United States, the commonwealth, or any of their instrumentalities, agencies or political subdivisions shall be exempt from payment of the tax herein imposed; provided, further, that the exemption of such government bodies shall not relieve any other party to a transaction from liability for the tax;
- B. As to transfers not included in the definition of “transaction,” which are set forth in § 306-10 of this article, 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 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 documents are not subject to tax under this article.
- C. An acquired company shall, within 30 days after becoming an acquired company, 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.

**§ 306-16. Imposition of tax.**

The payment of the tax imposed by this article shall be evidenced by the affixing of a documentary stamp or stamps by the collecting agent whereon the date of the payment of the tax,

amount of the tax and signature of the collecting agent shall be set forth. Such stamps shall be affixed in such manner that their removal will require the continued application of steam or water, and the person using or affixing such stamps shall write or stamp, or cause to be written or stamped thereon, the initials of his name, and the date upon which said such stamps are affixed or used, so that such stamps may not again be used, provided that the collecting agent may prescribe other methods of cancellation.

#### **§ 306-17. Credits against tax.**

A. In instances where:

- (1) There is a transfer of a residential property by a licensed real estate broker, which property was transferred to him/her 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/her shall be given to him/her toward the amount of the tax due upon the transfer.
- (2) There is a transfer by a builder of residential property which was transferred to the builder within the preceding year as 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) 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) 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 tax paid at the time of the sale shall be given the grantor toward the tax due upon the deed.

B. 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.

#### **§ 306-18. 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/her 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.

#### **§ 306-19. Adhesive stamps.**

The Borough Council shall prescribe, prepare and furnish adhesive stamps of such denomination and quantities as may be necessary for payment of the tax imposed and assessed by this article.

**§ 306-20. Enforcement.**

The Borough Council is hereby charged with the enforcement of the provisions of this article and is hereby authorized and empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to:

- A. The method or means to be used in affixing or cancelling stamps in substitution for, or in addition to, the method or means provided in this resolution.
- B. The denominations and seal of stamps.
- C. Any other matter or thing pertaining to the administration and enforcement of the provisions of this article.

**§ 306-21. Duties of collecting agent.**

The collecting agent shall:

- A. File a bond with the County of Washington in a sufficient amount and execute in joint and several fashion, with one or more corporate sureties authorized to do business in this commonwealth and duly authorized by the Insurance Commission of this commonwealth. The amount of such bond shall be equal to the maximum amount of tax which may be in the possession of the collecting agent at any given time.
- B. Not accept for recording a document when the real estate is located in more than one political subdivision unless it is accompanied by a statement of value showing what taxes are due each municipality.
- C. Pay over to the Borough, on or before the 10th of each month, 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 two-percent commission shall be paid to the county.
- D. Upon a redetermination of the amount of realty transfer tax due by the Commonwealth of Pennsylvania, record the document 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.

**§ 306-22. Statement of value.**

Every document lodged with or presented to the collecting agent 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 article, provided that the provisions of this subsection shall not apply to any real estate transfers not included in the definition of "transaction" as set forth in § 306-10 which are exempt from taxation based on family relationship. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose.

**§ 306-23. Prohibited activities.**

- A. It shall be unlawful for any person to:
- (1) Accept or present for recording or cause to be accepted or presented for recording any document without the full amount of tax thereon being duly paid.
  - (2) Make use of any stamp or writing to denote payment of any tax imposed by this article without cancelling such stamp or writing as required by this article or as prescribed by Borough Council.
  - (3) Fail, neglect or refuse to comply with or violate the rules and regulations prescribed, adopted and promulgated by Borough Council under the provisions of this article.
- B. Any person violating any of the provisions of Subsection A shall be guilty of a summary offense.
- C. It shall be unlawful for any person to:
- (1) Fraudulently cut, tear or remove a stamp from any document.
  - (2) Fraudulently affix to any document transferring real estate, upon which the tax is imposed by this article, any stamps which have been cut, torn or removed from any other document upon which the tax is imposed by this article, or to affix to any document, stamps of insufficient value or any forged or counterfeit stamp, or any impression of any forged or counterfeit stamp, die plate or other article.
  - (3) Willfully remove or alter the cancellation marks of any document stamp, or restore any such document stamp with intent to use or cause the same to be used after it has already been used, or knowingly buy, sell, offer for sale or give away any such altered or restored stamp to any person for use, or knowingly use the stamp.
  - (4) Knowingly possess any altered or restored document stamp which has been removed from any document upon which the tax is imposed by this article, provided that the possessing of such stamps shall be prima facie evidence of an intent to violate the provisions of this article.
  - (5) Knowingly or willingly prepare, keep, sell, offer for sale or have in his possession any forged or counterfeit document stamps.
- D. Any person violating any of the provisions of Subsection C shall be guilty of a misdemeanor of the second degree.
- E. A person who makes a false statement of value or declaration of acquisition, when he/she does not believe the statement or declaration to be true, is guilty of a misdemeanor of the second degree.

**§ 306-24. Additional percentages to be added.**

- A. If any part of any underpayment of tax imposed by this article is due to fraud, there shall be added to the tax an amount equal to 50% of the underpayment.
- B. In the case of failure to record a declaration required under this article 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 one month, with an additional 5% for each additional month or fraction thereof during which

such failure continues, not exceeding 50% in the aggregate.

- C. Where suit is brought for the recovery of such tax, the person liable therefor shall, in addition, be liable for the cost of collection, interest and penalties herein imposed.

**§ 306-25. Lien.**

The tax imposed by this article shall become a lien upon the land, tenements or hereditaments, or any interest therein, lying, being situated wholly or in part within the boundaries of the Borough, which lands, tenements, hereditaments or interest therein are described in or conveyed by or transferred by the document which is the subject of the tax imposed, assessed and levied by this article, said lien to begin at the time when the tax under this article is due and payable and continue until discharge 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 Washington 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.

**§ 306-26. Effective date.**

The provisions of this article shall become effective immediately upon final enactment, provided that the tax herein levied shall not go into effect until February 17, 1987.

**ARTICLE III**

**Per Capita Tax**

**[Adopted 4-1-2013 by Ord. No. 513]**

**§ 306-27. Title.**

This article shall be known as the “Per Capita Tax Ordinance.”

**§ 306-28. Purpose/authority.**

By authority of the Act of the General Assembly approved December 31, 1975, P.L. 1257 (Act No. 511), as amended, a per capita tax of \$10 is hereby levied and assessed for the fiscal year 2013 upon each resident and inhabitant of the Borough of East Washington 18 years of age and over, which tax shall be in addition to any other taxes levied and assessed by the Borough of East Washington.

**§ 306-29. List of residents.**

The list of residents of the Borough of East Washington prepared annually by the Board of Assessments and Revisions of Taxes of Washington County, or such list of residents as may be prepared by direction of the Council in the manner provided by law, and any names of residents added to said list in the manner provided by law, are hereby adopted for purposes of levying and assessing the per capita tax imposed by this article.

**§ 306-30. Tax collection.**

Said tax shall be collected and paid over by the duly elected tax collector of the Borough of East

Washington in the same manner and at the same time as other Borough taxes are collected and paid over.

**§ 306-31. Tax collector compensation.**

The compensation of the tax collector for collection of said tax shall be the same as fixed from time to time by the Council for the collection of other Borough taxes.

**§ 306-32. Discount and penalty.**

The amount and periods of discount and penalty for payment of said tax shall be the same as provided for in the Local Tax Collection Law of May 25, 1945, P.L. 1050, its amendments and supplements.

**§ 306-33. Tax collector powers.**

The tax collector shall have all the powers, and be subject to all of the duties, to the same extent as fully provided for in said Local Tax Collection of 1945, its amendments and supplements.

**ARTICLE IV**  
**Local Services Tax**  
**[Adopted 4-1-2013 by Ord. No. 514]**

**§ 306-34. Title.**

This article shall be known as the “Local Services Tax Ordinance.”

**§ 306-35. Definitions.**

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

**BOROUGH**—The area within the corporate limits of the Borough of East Washington.

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

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

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

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



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

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

NET PROFITS—The net income from the operation of a business, profession; or other activity, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of Dec. 31, 1965, P.L. 1257, § 13, as amended, 53 P.S. § 6913, as amended.

OCCUPATION—Any trade, profession, business or undertaking of any type, kind or character, including services, domestic or other, earned on or performed within the corporate limits of the Borough for which compensation is charged or received; whether by means of salary, wages, commission or fees for services rendered.

TAX—The local services tax at the rate fixed in § 306-36 of this article.

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

#### **§ 306-36. Levy of tax.**

For specific revenue purposes, an annual tax is hereby levied and assessed, commencing January 1, 2013; upon the privilege of engaging in an occupation with a primary place of employment within the Borough of East Washington during the tax year. Each natural person who exercises such privilege for any length of time during any tax year shall pay the tax for that year in the amount of \$52, assessed on a pro rata basis, in accordance with the provisions of this article. This tax is in addition to all other taxes of any kind or nature heretofore levied by the Borough. The tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of municipalities within which a person maybe employed.

#### **§ 306-37. Exemption and refunds.**

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

- (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 100% 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. For the purposes of this subparagraph, "reserve component of the armed forces" shall mean the United States Army Reserve, United States Navy Reserve, United States Marine Corps Reserve, United States Coast Guard Reserve, United States Air Force Reserve, the Pennsylvania Army National Guard or the Pennsylvania Air National Guard.

B. Procedure to claim exemption.

- (1) A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with the Borough and with the person's employer affirming that the person reasonable expects to receive earned income and net profits from all sources within the Borough of less than \$12,000 in the calendar year for which the exemption certificate is filed. In the event the Borough utilizes a tax collection officer, it shall provide a copy of the exemption certificate to that officer. The exemption certificate shall have attached to it a copy of all the employee's last pay stubs or W-2 forms from employment within the Borough for the year prior to the fiscal year for which the employee is requesting to be exempted from the tax. Upon receipt of the exemption certificate and until otherwise instructed by the Borough or except as required by Subsection B(2), the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish each new employee with a form at the time of hiring. The exemption certificate form shall be the uniform form provided by the Borough.
  - (2) With respect to a person who claimed an exemption for a given calendar year from the tax, upon notification to an employer by the person or by the Borough that the person has received earned income and net profits from all sources within the political subdivision equal to or in excess of \$12,000 in that calendar year or that the person is otherwise ineligible for the tax exemption for that calendar year, or upon an employer's payment to the person of earned income within the municipality in an amount equal to or in excess of \$12,000 in that calendar year, an employer shall withhold the local services tax from the person under Subsection B(3).
  - (3) If a person who claimed an exemption for a given calendar year from the tax becomes subject to the tax for the calendar year under Subsection B(2), the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification under Subsection B(2), a lump sum equal to the amount of tax that was not withheld from the person due to the exemption claimed by the person under this subsection, plus the per payroll amount due for that first payroll period. The amount of tax withheld per payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. In the event the employment of a person subject to withholding of the tax under this clause is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of tax due, and the Borough may pursue collection under this article.
  - (4) Except as provided in Subsection (2), it is the intent of this subsection that employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility or exempting any employee from the local services tax.
- C. Refunds. The Council of East Washington Borough, in consultation with the collector and DCED, shall establish procedures for the processing of refund claims for any tax paid by any person who is eligible for exemption, which procedures shall be in accord with provisions of the general municipal law relating to refunds of overpayments and interest on overpayments. Refunds made within 75 days of a refund request or 75 days after the last day the employer is required to remit the tax for the last quarter of the calendar year,

whichever is later, shall not be subject to interest. No refunds shall be made for amounts overpaid in a calendar year that do not exceed \$1. The Borough Council shall determine eligibility for exemption and provide refunds to exempt persons.

**§ 306-38. Duty of employers to collect.**

- A. Each employer within the Borough, as well as those employers situated outside the Borough but who engage in business within the Borough, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within the Borough and making a return and payment thereof to the collector. Further, each employer is hereby authorized to deduct this tax for each employee in his or her employ, whether said employee is paid by salary, wage or commission and whether or not all such services are performed within the Borough.
- B. A person subject to the tax shall be assessed by the employer a pro rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro rata share of the tax assessed on the person for a payroll period shall be determined by dividing the rate of the tax levied for the calendar year by the number of payroll periods established by the employer for the calendar year. For purposes of determining the pro rate share, an employer shall round down the amount of the tax collected each payroll period to the nearest one-hundredth of a dollar. Collection of the tax shall be made on a payroll period basis for each payroll period in which the person is engaging an occupation, except as provided in Subsection D of this Section, for purposes of this paragraph, combined rate shall mean the aggregate annual rate of the tax levied by the school district and the municipality.
- C. No person shall be subject to the payment of the local services tax by more than one municipality during each payroll period.
- D. In the case of concurrent employment, an employer shall refrain from withholding the tax if the employee provides a recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of the tax withheld and a statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in principal place of employment within two weeks of its occurrence. The employee's statement shall be provided on the form approved by DCED.
- E. The tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of municipalities within which a person may be employed. The Borough shall provide a taxpayer a receipt of payment upon request by the taxpayer.
- F. No employer shall be held liable for failure to withhold the tax or for the payment of the withheld tax money to the Borough if the failure to withhold taxes arises from incorrect information submitted by the employee as to the employee's place or plates of employment, the employee's principal office or where the employee is principally employed. Further, an employer shall not be liable for payment of the local services tax in an amount exceeding the amount withheld by the employer if the employer complies with the provision of this article and this section and remits the amount so withheld in accordance with this article.
- G. Employers shall be required to remit the local services taxes 30 days after the end of each

quarter of a calendar year.

### **§ 306-39. Returns.**

Each employer shall prepare and file a return showing a computation of the tax on forms to be supplied to the employer by the collector. If an employer fails to file the return and pay the tax, whether or not the employer makes collection thereof from the salary, wages or commissions paid by him or her to an employee, except as provided hereafter in this article, the employer shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer.

### **§ 306-40. Dates for determining tax liability and payment.**

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

### **§ 306-41. Self-employed individuals.**

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

### **§ 306-42. Individuals engaged in more than one occupation or employed in more than one Municipality.**

The situs of the tax shall be the place of employment on the first day the person becomes subject to the tax during each payroll period. In the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires the person working more than one municipality during a payroll period, the priority of claim to collect the local services tax shall be in the following order:

- (1) First, the municipality in which a person maintains his or her principal office or is principally employed.
- (2) Second, the municipality in which the person resides and works if the tax is levied by that Borough.
- (3) Third, the municipality in which a person is employed and which imposes the tax nearest in miles to the person's home.

In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment constitutes prima facie certification of payment to all other municipalities.

### **§ 306-43. Nonresidents subject to tax.**

All employers and self-employed individuals residing or having their places of business outside of the Borough but who perform services of any type or kind or engage in any occupation or

profession within the Borough do, by virtue thereof, agree to be bound by and subject themselves to the provisions, penalties and regulations promulgated under this article with the same force and effect as though they were residents of the Borough. Further, any individual engaged in an occupation within the Borough and an employee of a nonresidential employer may, for the purpose of this article, be considered a self-employed person, and in the event his or her tax is not paid, the Borough shall have the option of proceeding against either the employer or employee for the collection of this tax as hereinafter provided.

**§ 306-44. Administration of tax.**

- A. The collector shall be appointed by resolution of the Borough. It shall be the duty of the collector to accept and receive payments of this tax and to keep a record thereof showing the amount received by him from each employer of self-employed person, together with the date the tax was received.
- B. The collector is hereby charged with the administration and enforcement of this article and is hereby charged and empowered, subject to municipal approval, to proscribe, adopt and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this article, including provisions for the examination of payroll records of any employer subject to this article, the examination and correction of any return made in compliance with this article and any payment alleged or found to be incorrect or as to which overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the collector shall have the right to appeal consistent with the Local Taxpayers Bill of Rights under Act 50 of 1998.
- C. The collector is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer or, if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the collector the means, facilities and opportunity for such examination.

**§ 306-45. Suits for collection.**

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

**§ 306-46. Violations and penalties.**

Whoever makes any false or untrue statement on any return required by this article, or whoever refuses inspection of the books, records or accounts in his or her custody and control setting forth the number of employees subject to this tax who are in his or her employment, or whoever fails or refuses to file any return required by this article shall be guilty of a violation and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$600 and costs of

prosecution, and, in default of payment of such fine and costs, to imprisonment for not more than 30 days. The action to enforce the penalty herein prescribed may be instituted against any person in charge of the business of any employer who shall have failed or who refuses to file a return required by this article.

**§ 306-47. Interpretation.**

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

**ARTICLE V**

**New Construction-Residential Property Revitalization Tax Exemption**

**[Adopted 11-4-2013 by Ord. No. 517]**

**§ 306-48. Title.**

This article shall be known and cited as the “East Washington Borough New Construction-Residential Property Revitalization Tax Exemption Ordinance.”

**§ 306-49. General scope.**

The subject matter of this article is the establishment of regulations relating to the exemption of new construction to certain deteriorated residential property, providing for an exemption schedule and establishing standards and qualifications.

**§ 306-50. Definitions.**

As used in this article, the following words and phrases shall have the meaning set forth below:

**ASSESSMENT AGENCY**—The Washington County Board of Assessment Appeals.

**ASSESSED VALUE**—The determined market value of real property for assessment purposes, as defined and calculated by the Assessment Agency in accordance with applicable law and after application of the predetermined ratio established in Washington County.

**BOARD OF COMMISSIONERS**—The Board of Commissioners of Washington County, Pennsylvania.

**BOROUGH**—The area within the corporate limits of the Borough of East Washington.

**COUNTY**—Washington County, Pennsylvania.

**DETERIORATED PROPERTY**—A dwelling unit located in a deteriorated neighborhood, or a

dwelling unit which has been, or upon request is, certified by a health, housing or building inspection agency as unfit for human habitation, for rent withholding, or other health or welfare purposes, or has been the subject of an order by such an agency requiring the unit to be vacated, condemned or demolished by reason of non-compliance with laws, ordinances or regulations.

**DETERIORATED NEIGHBORHOOD**—As determined by East Washington Borough, following public hearings held pursuant to and in accordance with the Act, neighborhoods located within the geographic boundaries of East Washington, Washington County, Pennsylvania.

**DWELLING UNIT**—A house, double house, duplex, townhouse, condominium unit, row house, group of rooms, or an apartment building, townhouse and/or building complex all owned by the same person or persons, which contains or will contain five or more residential dwelling units, intended for occupancy as separate living quarters by a family, families or other groups or a person living alone, containing a kitchen or cooking equipment for the exclusive use of the occupant, provided, however, that motel, hotel and similar accommodations shall not be included within the meaning of “dwelling unit.”

**EAST WASHINGTON BOROUGH**—East Washington Borough situated within Washington County whose Council, prior to the effective date of this article, has determined, pursuant to the Act, that there exist within the Borough deteriorating properties.

**FARM**—Land which shall have produced an agricultural commodity at least once within three years prior to application and which shall presently be devoted to production of an agricultural commodity, and which shall be at least 10 contiguous acres. In the event of change of ownership, the land shall be presently devoted to the production of an agricultural commodity, and shall be at least 10 contiguous acres.

**IMPROVEMENT**—Repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a structure so that it becomes habitable or attains higher standards of safety, health or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards. As used herein, ordinary upkeep and maintenance shall not be deemed an improvement.

**TAXPAYER**—Any natural person, partnership, unincorporated association, or corporation, nonprofit or otherwise, and any duly designated agent, successor or assignee of any of the above, possessing a legal or equitable interest in real property located within the County.

### **§ 306-51. Exemptions.**

- A. There is hereby exempted from real property taxation that portion of any assessment attributable to, and resulting from, improvements made to deteriorated properties, as follows:
- (1) During the first five years for which improvements would be otherwise taxable, 100% percent of any increase attributable to and resulting from the actual costs of improvements shall be exempt; provided, however, that the amount of any such increase in assessed value shall be exempt only to the extent that it does not exceed the maximum exemption per dwelling unit calculated as set forth herein.
  - (2) After the fifth year in which a deteriorated property eligible for exemption as set forth herein, the exemption shall terminate and the deteriorated property shall be subject to

real estate taxation in the same manner as it otherwise would be under applicable law.

- (3) The exemption from taxes shall be limited to the additional assessment valuation attributable to the actual costs of improvements to deteriorated property not in excess of the maximum cost per dwelling unit specified herein. The maximum cost shall be \$20,000 per dwelling unit for improvements constructed during 2013 with respect to East Washington Borough. Maximum cost of improvements constructed during each year thereafter shall be the maximum cost for the preceding year multiplied by the ratio of the United States Bureau of Census New One-Family Houses Price Index for the current year to such index for the preceding year.
- B. The exemption from real property taxes as authorized by this article shall be upon the property and shall not terminate upon the sale, conveyance or other change of the property.
- C. Any such exemption shall be limited to that improvement for which the taxpayer has timely requested a tax exemption in the manner set forth in § 306-52 herein, and for which a separate assessment has been made by the assessment agency.
- D. No tax exemption shall be granted if the taxpayer does not secure any and all necessary and proper permits for such deteriorated properties, prior to the commencement of improvements thereto.
- E. No tax exemption shall be granted if the taxpayer does not, contemporaneously with the securing of any and all necessary and proper permits for improving the property, submit a written application for tax exemption with respect thereto, as set forth within § 306-52 herein. In the event that no permits are necessary with respect to the improvements of the property, no tax exemption shall be granted unless the taxpayer submits a written application for tax exemption on a form available at the Department of Economic Development prior to the start of construction.
- F. In the event that, after the effective date of this article, a deteriorated property is damaged, destroyed or demolished by any cause or for any reason, and the assessed value of the property affected is reduced as a result of such damage, destruction or demolition, the exemption from real property taxation authorized by this article shall then be limited to that portion of the new assessed value attributable to improvements thereto, in excess of the original assessment that existed prior to the damage, destruction or demolition of the property.

#### **§ 306-52. Procedure.**

- A. Any taxpayer desiring tax exemption for improvements to dwelling units pursuant to the terms of this article shall complete and submit a written application to the Borough Council on a form available at the Department of Economic Development at the time he/she secures a building permit. In the event that no building permit or other notification of improvement is required, a taxpayer seeking tax-exempt status as a result of such improvement shall complete and submit a written application to the Borough on a form available at the Department of Economic Development at the time he/she commences construction. Failure to timely submit a written application for tax exemption pursuant to the terms of this article shall forfeit the right to subsequently seek tax exemption with respect to any improvement and/or residential construction for which an application is not timely submitted. The



individual property owner shall be responsible for the proper completion of the abatement application.

- B. The Borough Council shall, within 60 calendar days of receipt by the Borough of a written application for tax exemption submitted pursuant to the terms of this article, determine the eligibility of such application for exemption.
- C. Within 10 calendar days of the eligibility determination as made by the Borough, but not later than 60 days after the date of submission of the written application for tax exemption, the Borough shall notify the applicant and the Washington County Tax Assessment Office of the decision of its decision.
- D. Any party aggrieved by the decision of the Borough may, within 30 calendar days of the mailing date of the Borough's decision, file an appeal in writing to the Appeal Board, which shall be composed of the Council of East Washington Borough.
- E. Upon completion of any improvement to deteriorated property within a deteriorated neighborhood, the taxpayer shall provide written notification of completion to the Washington County Tax Assessment Office. The Washington County Tax Assessment Office shall then assess separately the improvement, for the purpose of calculating the amount of the property's assessed value eligible for tax exemption and in accordance with the limits established by this article. The Washington County Tax Assessment Office shall then notify the taxpayer and East Washington Borough of the reassessment, and of the amount of the assessed value eligible for exemption.
- F. The amount of the assessed value of the improvements to be exempted each year, the number of years during which such an exemption can be obtained and the applicable procedure, existing at the time a request for exemption is made, shall remain applicable to that exemption request, and any subsequent amendments to this article shall not apply to requests initiated prior to the adoption of such amendments.
- G. Improvements to deteriorated properties, for which tax exemptions are granted pursuant to the terms of this article, shall not, during the exemption period, be considered as a factor in assessing other properties.
- H. The exemption from real estate taxes shall commence in the tax year immediately following the tax year in which the occupancy permit is issued for an individual dwelling unit.
- I. Appeals from any reassessment and/or from the determination of the amount found eligible for the exemption may be taken by the taxpayer and/or East Washington Borough as otherwise provided by law.
- J. The taxpayer shall immediately notify the Washington County Tax Assessment Office of any significant changes in the improvements and/or new construction for which the tax exemption is sought. Failure to do so will result in loss of exemption for any such changes.
- K. The Borough may adopt rules and regulations for the implementation of this article.

#### **§ 306-53. Severability.**

The provisions of the improvement of deteriorating real property or Areas Tax Exemption Act, as amended, not herein enumerated, shall be incorporated as part of this article by reference as appropriate. If any sentence, clause, section or part of the Act and/or this article is, for any

reason, found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this article. It is hereby declared to be the intent of the Council of East Washington Borough, Pennsylvania, that this article would nonetheless have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

**§ 306-54. Termination date.**

This article shall automatically expire and terminate six years following its effective date; provided, however, that any taxpayer who has applied for the exemption, prior to its expiration date, shall, if said exemption is granted, be entitled to the full exemption authorized herein if the applicant otherwise qualified.

**§ 306-55. Effective date.**

This article shall be placed into effect as of the 4<sup>th</sup> day of November, 2013.