

**Act 32 of 2008**  
**Signed into Law July 2008**

**Synopsis:**

Act 32 of 2008 amends the Local Tax Enabling Act of 1965 (Act 511) to provide for consolidation of the collection of the local earned income tax at the county level. This one collector per county will be governed by a newly created Tax Collection Committee comprising of one member from each political subdivision (school districts, townships, and boroughs). The committee will have a membership of 58 (7 school districts and 51 townships and boroughs).

**Timeline:**

1/16/2009 – Department of Community and Economic Development (DCED) will prepare a list of tax collection districts and political subdivisions in each district.

9/1/2009 – DCED will calculate the political subdivisions weighted vote for the Tax Collection Committee. Votes will be weighted among the governing bodies by 50% population and 50% of income revenues collected.

9/15/2009 – Each political subdivision must appoint one member to the Tax Collection Committee.

11/15/2009 – First meeting of the Tax Collection Committee must take place prior to this date. The meeting must be scheduled by the chair of the county.

12/31/2009 – DCED will conduct a study evaluating existing cooperative collection bureaus and evaluate best practices. No later than 12/31/09 the Tax Collection Committee will be given a report of the findings and recommendations as a result of the DCED study.

4/15/2010 – DCED will provide sample bylaws to the Tax Collection Committee and the committee must adopt their own bylaws by 4/15/10.

6/1/2010 – Each Tax Collection Committee will establish an appeals board consisting of 3 delegates.

9/15/2010 – Each Tax Collection Committee will appoint a tax officer by resolution. This new tax officer will be responsible for taxes assessed, collected and administration based on income for on and after 1/1/2012.

12/1/2010 – DCED must be notified as to who will be the collector for 2011 taxes. The committee must decide by 11/1/2010 and report to DCED if the new collector or the current collector will collect 2011 taxes.

7/1/2011 – Each Tax Collection Committee shall develop a plan to transition from the provisions of the current tax collector to the newly appointed tax officer.

1/1/2012 – Newly appointed tax officer starts collection.

6/30/2012 – Current tax collector must deliver records to the new tax officer.

4/1/2013 – Distribution period for taxes will reduce to 30 days from 90 days. The new officer must distribute all taxes to the governing districts every 30 days. The current distribution of taxes is 90 days.

1/1/2014 – A political subdivision may request to the Court to withdraw from the tax collection district. The court may grant the withdraw if the following conditions exist:

The subdivision has suffered loss in income tax revenues that is directly and primarily attributable to the willful and continued failure of the tax officer or Tax Collection Committee to comply with the provisions of this act.

The committee has failed to take reasonable measures to correct the deficiencies in the performance of the tax officer.

The subdivision and committee have engaged in good faith mediation before a special master appointed by the court, but have failed to reach agreement for corrective measures.

Other relief available that could be ordered by the court would not be adequate and the withdrawal of the political subdivision is in the best interest of the subdivision, taxpayers and employers.

Before 2017 – Audit and evaluation of the collection process by the legislature.