ORDINANCE NO. 536

AN ORDINANCE OF ALDAN BOROUGH, COUNTY OF DELAWARE, COMMONWEALTH OF PENNSYLVANIA

AMENDING CHAPTER 231, TAXATION, OF THE CODE OF ALDAN BOROUGH, TO ADD IN A NEW ARTICLE III, "EARNED INCOME TAX," TO LEVY AN EARNED INCOME TAX OF ONE PERCENT (1%) PURSUANT TO THE AUTHORITY OF THE LOCAL TAX ENABLING ACT; TO INCLUDE DEFINITIONS; TO PROVIDE FOR DECLARATION AND PAYMENT OF THE TAX; TO PROVIDE FOR THE COLLECTION OF THE TAX AT THE SOURCE AND WITHOLDING BY EMPLOYERS; TO ESTABLISH THE POWERS AND DUTIES OF THE TAX COLLECTOR; ESTABLISH THE AMOUNT OF THE TAX RATE; TO ESTABLISH THE EFFECTIVE DATE OF THE IMPOSITION AND LEVY OF THE TAX; TO PROVIDE FOR SUITS FOR COLLECTION OF UNPAID TAXES, INCLUDING INTEREST AND PENALTIES; REPEALING ALL INCONSISTENT ORDINANCES OR SECTIONS OF THE CODE; AND ESTABLISHING AN EFFECTIVE DATE THEREFOR

WHEREAS, Aldan Borough, Delaware County, is a Borough, duly organized and operating in accordance with the laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Aldan Borough Council, in the exercise of its corporate powers, is empowered to enact and adopt ordinances for the health, protection, safety, welfare and benefit of its citizens and the public at large; and

WHEREAS, in order to adopt an annual budget for fiscal year 2025 that complies with the requirements of Title 8 of Pa. C.S., Chapter 13, it is necessary and in the best interest of the Borough and the Borough residents and non-residents affected thereby, for the Borough to levy an Earned Income Tax in fiscal year 2025.

NOW THEREFORE, BE IT ORDAINED by the Aldan Borough Council, of Aldan Borough, County of Delaware, Commonwealth of Pennsylvania, that the Borough s Code of Ordinances shall be amended as follows:

I. Chapter 231, Taxation, of the Code of Aldan Borough is hereby, ad shall be, amended to include a new Article III that shall read as follows:

ARTICLE III, EARNED INCOME TAX

§231-32. Definitions.

Effective Date. January 1, 2025.

Employer. A person, business entity, or other entity, employing one or more persons 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 purposes of penalties under this Article, the term includes a corporate officer.

Governing Body. The Borough Council of Aldan Borough, Delaware County, Pennsylvania.

Local Tax Enabling Act. Act of December 31, 1965, P.L. 1257, 53 P.S. §§ 6924.101 – 6924.901, and any amendments thereto.

Municipal Tax Rate Applicable to Non-Residents. The total rate applicable to non-residents working within the Taxing Authority based on the municipal non-resident tax rate is one percent (1%).

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 Department of Revenue under Section 303 of the act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Code of 1971, and rules and regulations promulgated under that section. The term does not include income under any of the following paragraphs:

(1) Income which:
   a. Is not paid for services provided; and
   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 12 months or more for draft, breeding, or any dairy purposes; or
   c. Any gain on the sale of other capital assets of a farm.

Nonresident. A person or business domicile outside the Taxing Authority.

Person. A natural person, partnership, corporation, fiduciary, or association. Whenever used in any section prescribing and imposing a penalty, the term "person" as applied to associations shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

Resident. A person or business domiciled in Aldan Borough.

Tax. The tax imposed by this Article.

Taxing Authority. Aldan Borough, Delaware 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.

Tax Return. A form prescribed by the Collector for reporting the amount of tax or other amount owned or required to be withheld, remitted, or reported pursuant to this Article or the Local Tax Enabling Act.

Tax Year. The period from January 1 to December 31.

TCC. The Delaware County Tax Collection Committee.

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.

B. Singular shall include the plural, and the masculine shall include the feminine and neuter.

§231-33. Exemptions.

A. Any individual earning a total income of less than Eight Thousand ($8,000.00) Dollars shall be exempt from the Earned Income Tax.

§231-34. Imposition of Tax.

A. General purpose resident tax. The Taxing Authority hereby imposes a tax for general revenue purposes at the rate of one percent (1%) on earned income and net profits of residents of the taxing authority.
B. General purpose non-resident tax. The Taxing Authority also imposes a tax for general revenue purposes at the rate of one percent (1%) 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 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.S.C.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.S.C.A. §1937.

§231-35. 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.

§231-36. 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.

§231-37. Tax collector.

The tax shall be collected from residents and employers by the Collector.

§231-38. Interest, penalties, costs, and fines.

Residents and employers are subject to interest, penal, 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.

II. REPEALED PROVISIONS

All ordinances and/or parts of Ordinances of the Borough that are inconsistent with this Ordinance are hereby repealed.

III. SEVERABILITY, INCONSISTENCIES, EFFECTIVE DATE

The provisions of this Ordinance are severable. If any section, clause, sentence, part or provision of this Ordinance shall be determined to be illegal or invalid by any court of competent jurisdiction, such decision shall not impair or affect the remaining terms, sections and clauses of this Ordinance. If there are any inconsistencies between the provisions of this Ordinance and any other section of the Borough Code then in effect, the terms and provisions of this Ordinance shall control. This Ordinance shall be effective five (5) days after it has been approved by the Borough Council, or in default thereof, five (5) days after it is deemed approved by operation of law.

ORDAINED AND ENACTED THIS 23rd DAY OF OCTOBER, 2024.

Michael Ceci

Michael Ceci, Mayor

Dan Procopio

Dan Procopio, Council President

WITNESS: John White

John White, Borough Manager