

RESOLUTION NO. 2023 - 06

A RESOLUTION OF THE COUNCIL OF NEW HOPE BOROUGH, BUCKS COUNTY, PENNSYLVANIA REQUESTING AN AMENDMENT TO THE STERLING ACT OF 1932 ("ACT") TO REQUIRE THAT UP TO ONE PERCENT (1%) OF EARNED INCOME PAID BY NON-RESIDENT TAXPAYERS TO, AND COLLECTED BY, THE CITY OF PHILADELPHIA, PENNSYLVANIA UNDER THE ACT BE REMITTED TO THE MUNICIPALITY IN WHICH THE TAXPAYER RESIDES

WHEREAS, New Hope Borough, Bucks County, Pennsylvania has enacted an Earned Income Tax of one (1%) percent ("EIT") in accordance with Pennsylvania's Local Tax Enabling Act; and

WHEREAS, New Hope Borough relies on the revenue generated by the EIT to provide essential services to its residents and taxpayers, including emergency services that protect the health, safety, and welfare of the community; and

WHEREAS, the City of Philadelphia, Pennsylvania pursuant to the Sterling Act of 1932, ("Sterling Act") enacted an Earned Income Tax, also known as a Wage Tax, on both residents of the City, and on non-residents that work in the City; and

WHEREAS, in 1932, the Counties surrounding the City consisted mainly of farmland with few local government services; and

WHEREAS, in 1932, the Act was necessitated residents in the adjacent Counties visited the City on a regular basis to shop, dine, and avail themselves of businesses and services not available in the adjacent Counties which put a burden on City resources, and

WHEREAS, the Sterling Act was only intended to be in effect for a period of one (1) year; and

WHEREAS, numerous New Hope Borough residents pay the EIT to the City of Philadelphia at the current non-resident rate of 3.448%; and

WHEREAS, the Sterling Act, unlike the Local Tax Enabling Act, does not require the City to remit any portion of its EIT revenue to the municipality in which the non-resident taxpayer resides, even though the non-resident's home municipality has enacted its own EIT; and

WHEREAS, New Hope Borough, under the provisions of the Sterling Act, is not entitled to any remittance from the City on the non-resident EIT paid by its residents to the City, including the one percent (1%) EIT levied by the Borough on its residents; and

WHEREAS, New Hope Borough residents who do not work in the City bear a higher tax burden to support local services because of the inequities caused by the provisions of the Act; and

WHEREAS, the inequities created by Sterling Act deprive New Hope Borough of annual EIT revenue in excess of \$29,000 that could be used to provide essential local government services including police, fire and emergency medical services; and

WHEREAS, Pennsylvania Senate Bill 671, amending the Local Tax Enabling Act was passed by the Pennsylvania Senate on May 3, 2023; and

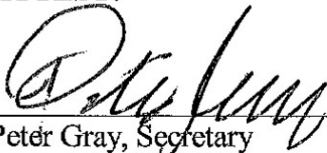
WHEREAS, New Hope Borough requests that the Pennsylvania House introduce a companion bill to be voted on by the Pennsylvania House of Representatives; and

NOW THEREFORE BE IT RESOLVED by the Council of New Hope Borough to formally request the Governor of the Commonwealth of Pennsylvania and the Senators and Representatives of the General Assembly of Pennsylvania to amend the Sterling Act and require that an amount of up to one (1%) percent of the earned income paid by non-residents to the City Philadelphia, and collected under the requirements of the Philadelphia Wage Tax, be remitted to the municipality in which the taxpayer resides if that municipality has enacted an earned income tax.

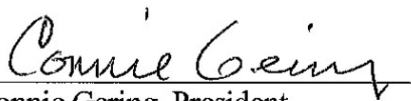
RESOLVED this 20th day of June, 2023

COUNCIL OF NEW HOPE BOROUGH

ATTEST:



Peter Gray, Secretary

By: 

Connie Gering, President