

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**SENATE BILL**

No. **841** Session of  
2017

---

INTRODUCED BY TOMLINSON, McILHINNEY AND RAFFERTY,  
AUGUST 29, 2017

---

REFERRED TO FINANCE, AUGUST 29, 2017

---

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),  
2 entitled "An act empowering cities of the second class,  
3 cities of the second class A, cities of the third class,  
4 boroughs, towns, townships of the first class, townships of  
5 the second class, school districts of the second class,  
6 school districts of the third class and school districts of  
7 the fourth class including independent school districts, to  
8 levy, assess, collect or to provide for the levying,  
9 assessment and collection of certain taxes subject to maximum  
10 limitations for general revenue purposes; authorizing the  
11 establishment of bureaus and the appointment and compensation  
12 of officers, agencies and employes to assess and collect such  
13 taxes; providing for joint collection of certain taxes,  
14 prescribing certain definitions and other provisions for  
15 taxes levied and assessed upon earned income, providing for  
16 annual audits and for collection of delinquent taxes, and  
17 permitting and requiring penalties to be imposed and  
18 enforced, including penalties for disclosure of confidential  
19 information, providing an appeal from the ordinance or  
20 resolution levying such taxes to the court of quarter  
21 sessions and to the Supreme Court and Superior Court," in  
22 local taxes, further providing for payment of tax to other  
23 political subdivisions or states as credit or deduction and  
24 withholding tax.

25 The General Assembly of the Commonwealth of Pennsylvania  
26 hereby enacts as follows:

27 Section 1. Section 317 of the act of December 31, 1965  
28 (P.L.1257, No.511), known as The Local Tax Enabling Act, is  
29 amended to read:

1 Section 317. Payment of Tax to Other Political Subdivisions  
2 or States as Credit or Deduction; Withholding Tax.--[Payment of  
3 any tax to any political subdivision pursuant to an ordinance or  
4 resolution passed or adopted prior to the effective date of this  
5 act shall be credited to and allowed as a deduction from the  
6 liability of taxpayers for any like tax respectively on  
7 salaries, wages, commissions, other compensation or on net  
8 profits of businesses, professions or other activities and for  
9 any income tax imposed by any other political subdivision of  
10 this Commonwealth under the authority of this chapter.]

11 Payment of any tax on salaries, wages, commissions, other  
12 compensation or on net profits of business, professions or other  
13 activities to a political subdivision by residents thereof  
14 pursuant to an ordinance or resolution [passed or adopted under  
15 the authority of this chapter] shall be credited to and allowed  
16 as a deduction from the liability of such persons for any other  
17 like tax respectively on the same salaries, wages, commissions,  
18 other compensation or on net profits of businesses, professions  
19 or other activities imposed by any other political subdivision  
20 of this Commonwealth [under the authority of this chapter].

21 Payment of any tax on income to any political subdivision by  
22 residents thereof pursuant to an ordinance or resolution [passed  
23 or adopted under the authority of this chapter] shall, to the  
24 extent that such income includes salaries, wages, commissions,  
25 other compensation or net profits of businesses, professions or  
26 other activities, but in such proportion as hereinafter set  
27 forth, be credited to and allowed as a deduction from the  
28 liability of such persons for any other tax on the same  
29 salaries, wages, commissions, other compensation or on net  
30 profits of businesses, professions, or other activities imposed

1 by any other political subdivision of this Commonwealth [under  
2 the authority of this chapter].

3 Payment of any tax on income to any state or to any political  
4 subdivision thereof by residents thereof, pursuant to any State  
5 or local law, may, at the discretion of the Pennsylvania  
6 political subdivision imposing such tax, to the extent that such  
7 income includes salaries, wages, commissions, or other  
8 compensation or net profits of businesses, professions or other  
9 activities but in such proportions as hereinafter set forth, be  
10 credited to and allowed as a deduction from the liability of  
11 such person for any other tax on the same salaries, wages,  
12 commissions, other compensation or net profits of businesses,  
13 professions or other activities imposed by any political  
14 subdivision of this Commonwealth [under the authority of this  
15 chapter], if residents of the political subdivision in  
16 Pennsylvania receive credits and deductions of a similar kind to  
17 a like degree from the tax on income imposed by the other state  
18 or political subdivision thereof.

19 Payment of any tax on income to any State other than  
20 Pennsylvania or to any political subdivision located outside the  
21 boundaries of this Commonwealth, by residents of a political  
22 subdivision located in Pennsylvania shall, to the extent that  
23 such income includes salaries, wages, commissions, or other  
24 compensation or net profits of businesses, professions or other  
25 activities but in such proportions as hereinafter set forth, be  
26 credited to and allowed as a deduction from the liability of  
27 such person for any other tax on the same salaries, wages,  
28 commissions, other compensation or net profits of businesses,  
29 professions or other activities imposed by any political  
30 subdivision of this Commonwealth [under the authority of this

1 chapter].

2 Where a credit or a deduction is allowable in any of the  
3 several cases hereinabove provided, it shall be allowed in  
4 proportion to the concurrent periods for which taxes are imposed  
5 by the other state or respective political subdivisions, but not  
6 in excess of the amount previously paid for a concurrent period.

7 No credit or deduction shall be allowed against any tax on  
8 earned income imposed under authority of this chapter to the  
9 extent of the amount of credit or deduction taken for the same  
10 period by the taxpayer against any income tax imposed by the  
11 Commonwealth of Pennsylvania under section 314 of the act of  
12 March 4, 1971 (P.L.6, No.2) known as the "Tax Reform Code of  
13 1971," on account of taxes imposed on income by other states or  
14 by their political subdivisions.

15 Section 2. This act shall take effect in 60 days.