

Bendersville Borough
Adams County, Pennsylvania

RESOLUTION NO. 2018-4

**A RESOLUTION OF THE *Bendersville Borough*, Adams COUNTY, PENNSYLVANIA,
THAT**

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, the Bendersville Borough has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Bendersville Borough; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Bendersville Borough does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

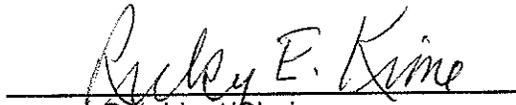
NOW, THEREFORE, BE IT HEREBY RESOLVED by Bendersville Borough, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Bendersville Borough is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Bendersville Borough.

Duly Resolved and adopted on this 31st day of July, 2018.

ATTEST:


Secretary

Bendersville Borough


President/Chairperson

**LIBERTY TOWNSHIP
ADAMS COUNTY, PENNSYLVANIA
RESOLUTION NO.: 2018-07**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF LIBERTY TOWNSHIP,
ADAMS COUNTY, PENNSYLVANIA, THAT**

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

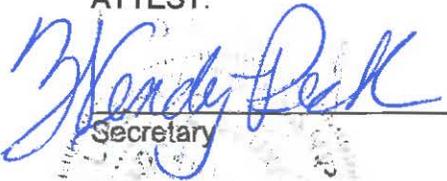
WHEREAS, over the past six (6) years, the Board of Supervisors of Liberty Township has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Liberty Township; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Board of Supervisors of Liberty Township does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

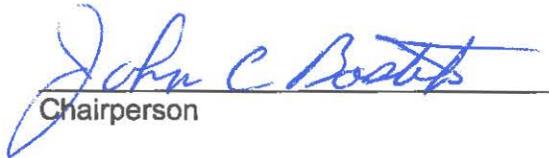
NOW, THEREFORE, BE IT HEREBY RESOLVED by The Board of Supervisors of Liberty Township, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that The Board of Supervisors of Liberty Township is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Liberty Township.

Duly Resolved and adopted on this 8 day of August, 2018.

ATTEST:


Secretary

LIBERTY TOWNSHIP, ADAMS COUNTY


Chairperson



Madison Township

Resolution 2018-8

Whereas, House Resolution 291 of 2017 (Printer's No. 3173) directs the Department of Revenue and others to undertake a study of replacing the current local earned income tax collection with a statewide collection system domiciled in the Department of Revenue; and

Whereas, the above mentioned resolution requires consideration of input from counties, Municipalities, and school districts; and

Whereas, Madison Township of Lackawanna County fully supports the collection of the Earned Income Tax (EIT) by the county tax collection agencies as authorized by Act 32 of 2008; and

Whereas, the Act 32 collections of the EIT is working well, collections are up and costs down, there is frequency and accuracy of the distributions, there is a high level of personal service for both the PSDs and Taxpayers/Employers, and transferring the collection to the Department of Revenue of the Commonwealth of Pennsylvania would result in a loss of local control and would remove the advantages of a competitive marketplace; and

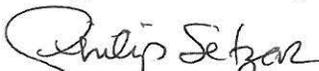
Whereas, the current system of collection by county tax collection committees have met the objections of Act 32 consolidation (increased revenues, lower costs, higher collection standards, reduced employer burden), while maintaining local control; and

Whereas, by all accounts Act 32 has been a resounding success;

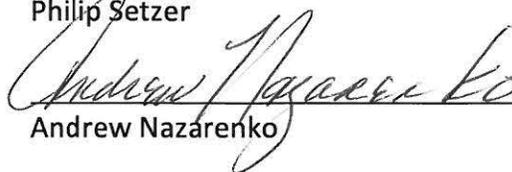
Now, Therefore Be It Resolved, that Madison Township of Lackawanna County is opposed to the General Assembly transferring the collection of the EIT from the local county collection committees as set up by Act 32 to the Department of Revenue of the Commonwealth of Pennsylvania.



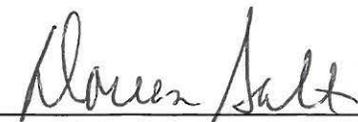
George P. VanBrunt Jr, Chairman



Philip Setzer



Andrew Nazarenko



Doreen Salt, Secretary
10-1-2018

DANVILLE AREA EARNED INCOME TAX OFFICE
24 E MAHONING ST – PO BOX 52
DANVILLE PA 17821
Phone: 570.275.4720
Fax: 570.275.4755



MARK MORABITO, SPECIAL ASSISTANT
PA DEPARTMENT OF REVENUE
Via Email: 

RE: House Resolution 291 of 2017
Feasibility Study for Statewide EIT Collection

Dear Mr. Morabito:

The Danville Area Earned Income Tax Office has existed since the passage of Act 511 in 1965. Today the office still serves eleven municipalities within the Danville Area School District. The provisions of Act 32 have served to refine the earned income tax collection and distribution process, improving oversight and simplifying individual and employer compliance with the law.

The Montour Tax Collection Committee has worked to create, maintain and oversee the Danville Area Earned Income Tax Office prior to and as a result of Act 32 of 2008. The TCC has invested funds in computers, programming, online filing capability, office equipment and training personnel. Our employees care about what happens in the resident municipalities and school district. We also strive to maintain a customer-oriented approach to taxpayers, both individuals and employers, because local tax collection is a public service which impacts our communities.

We believe that ACT 32 has been very successful and has resulted in greater revenues for our municipalities and school district as well as others across the Commonwealth.

The Danville Area Earned Income Tax Office maintains an online filing system for employers and individuals, www.palite.org, which has greatly accelerated our ability to process the volume of tax withholding information required under Act 32, and facilitates the distribution of tax to its membership or other collectors within thirty days of receipt. Our tax software is a highly-developed, locally-designed system written by Business Information Group (BIG).

In light of the Danville Area Earned Income Tax Office's long history of service to the TCC of Montour County, the TCC membership has great concerns about any proposal for statewide collection of EIT by the Department of Revenue. Montour TCC members are overwhelmingly opposed to statewide collection of EIT. Our members do not believe the DOR can provide better service to them or their constituents. It is not a foregone conclusion that the DOR could be more cost-efficient in EIT collections, and the TCC's have grave concerns that money collected would be distributed in the same time frame and with the same accuracy as currently. The TCC believes Act 32 has been a success and provides much needed standards to effectively collect EIT. We would welcome any discussion that would improve or establish additional standards for EIT collection and distribution, but it is the belief of the Montour Tax Collection Committees that statewide collection of EIT would be detrimental to our communities and the local tax collection process.

The following is a list of concerns which we believe the feasibility study should address. The TCC of Montour County respectfully requests that the Department and the General Assembly consider these concerns carefully:

Benefits of Local Collection

- Local collection provides intrinsic value which encourages local government cooperation
- Local collection provides resources to municipalities and school districts for budgeting and planning purposes
- Taxpayers have access to a local office for questions, filing and assistance
- Local collectors can quickly and accurately maintain tax rolls, taxpayer addresses and residency information to ensure accurate tax distribution
- Local taxing authorities have access to the collector for immediate response to questions and concerns
- Local collectors can more efficiently engage in compliance efforts to ensure taxes are filed and paid on a timely basis
- Local collectors follow the policies established by the TCC regarding collection efforts, payment plans and circumstances where penalty and/or interest may be waived.
- Local collectors serve and represent the TCC's member taxing authorities, insuring that tax collection is done according to the will of the governing body and Act 32
- Infrastructure currently exists in place for continued local collection

Concerns Regarding Statewide Collection of EIT

- How much will the state charge for collections?
- Will EIT revenue be distributed within 30 days as required by Act 32?
- How will the state maintain accurate residency information and update records when new development occurs in local taxing districts?
- How will The DOR correctly prorate the taxes between PSD codes when a taxpayer moves during the year?
- How will the Commonwealth ensure the accuracy of EIT distributions? Will there be a process to correct distributions that are shown to be in error?
- How will the DOR accommodate unique local tax situations involving Act 205 and Act 47 rates in distressed municipalities?
- How will the DOR handle the differences between PIT and EIT Collection? How will the state form change to accommodate EIT reporting?
- Will the DOR maintain staff trained in EIT collection who will be able to provide immediate help to taxpayers or taxing authorities? Will this staff be dedicated to EIT collection?
- What efforts will the DOR use to minimize unallocated funds, and will any unallocated funds be returned to the municipality according to Act 32?
- Will the DOR maintain a direct contact for local taxing authorities for reporting, budget requests and other issues?
- Will local EIT collection be impacted by state budget shortfalls or impasses, or in times of state employee furlough?
- Will the DOR assist employers to properly code employees to ensure that tax withheld is distributed to the correct PSD?
- What compliance efforts will the DOR make to ensure compliance by taxpayers and employers, and how will compliance be measured?
- If the state contracts out local EIT collection to a third party, what standards will the state impose to make sure tax is collected and distributed in accordance with ACT 511 and Act 32?
- What is the benefit to municipalities and school districts if the state handles EIT collection?

Any comments or questions may be directed to me, which in turn will be presented to the members of the Montour County Tax Collection Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale E. Erb". The signature is fluid and cursive, with the first name "Dale" and last name "Erb" clearly distinguishable.

Dale E Erb
Chairman



1385 Campus Drive
Downingtown PA 19335

WILMINGTON DE 197

11 JUL 2018 PM



Mr Mark Morabito, Special Assistant to the Deputy
Secretary for Compliance & Collections
11th Floor, Strawberry Square
4th and Walnut Streets
Harrisburg, PA 17128

17128\$2000





WEST BRADFORD TOWNSHIP
"Between the Brandywines"

1385 Campus Drive
Downingtown PA 19335
phone (610) 269-4174
fax (610) 269-3016
web WESTBRADFORD.ORG
twitter @WESTBRADFORDTWP

July 9, 2018

Mark Morabito
Special Assistant to the Deputy Sectary for Compliance and Collections
Harrisburg PA

Re: House Resolution No. 291 of 2017

Dear Mr. Morabito:

The Chester Tax Collection Committee has advised us that the Department of Revenue in consultation with the Department of Community and Economic Development has been directed to determine feasibility of having the Department of Revenue collect the earned income tax.

Pursuant to Act 32 of 2008, the municipalities in Chester County created the Chester Tax Collection Committee (Committee). The Committee solicited proposals for collection of the earned income tax and local services tax and they ultimately selected Keystone Collections Group to collect these taxes.

Keystone does a good job of collecting these taxes; however, in the event that their level of service declines, the Committee can cancel the contract and solicit proposals from a new vendor. In addition, the Committee also has the ability to negotiate the cost for collection services.

Obviously, a major concern is how much would the Department charge for these services. This initiative would require the Department to invest in additional staffing, equipment and facilities.

In the alternative we would suggest that municipalities be allowed to contract with the Department for these collections services. A municipality could solicit proposals from both the private sector and the Department for collection services. If it was more cost effective to have the Department collect these taxes, I would expect that municipalities would use the Department.

Sincerely,

Justin V. Yaich, Manager
West Bradford Township

The Montgomery and Bucks County Tax Collection Committees

August 2, 2018

Mark Morabito
Special Assistant to the Deputy Secretary
For Compliance and Collections
H.R. 291 Study Lead
Pa. Department of Revenue
Executive Office
4th and Walnut Streets
Harrisburg, PA 17128

RE: *H.R. 291 Statewide EIT Collection Study*

Dear Mr. Morabito:

On behalf of the Montgomery and Bucks County Tax Collection Committees we would like to comment upon House Resolution No. 291 by noting the great success our municipal and school district members have had in the collection of earned income taxes under Act 32 of 2008.

Our principal concern is with the basic premise of the Resolution, its assertion in the fifth “Whereas” clause that:

[I]nefficiencies continue to plague the local tax collection process to the detriment of school districts and municipalities in this Commonwealth.

See H.R. 291, at p. 2. With all due respect, we have not seen any such “inefficiencies” that would warrant the replacement of the TCCs with the statewide centralized collection of EIT by the Department of Revenue (“DOR”). On the contrary, our TCC members have achieved great efficiencies in the collection and disbursement of EIT revenues with a high degree of accountability and financial integrity.

Consolidating EIT collection in each county under Act 32 has allowed our municipalities and school districts to retain the local control that is so crucial to preserving accountability and has enabled our TCCs to achieve the objectives the General Assembly established when it passed this groundbreaking legislation. As you know, the success of the Act 32 cooperative governance structure was recently recognized by the joint Legislative Budget and Finance Committee and, even more importantly, has been proven by our TCCs' actual experience since Act 32 was fully implemented in 2012.

Our tax officers, Berkheimer and Keystone, have developed highly sophisticated IT capabilities that have overcome the many technical problems inherent in the necessarily complex tasks involved in countywide EIT collection. They include, but are not limited to, accounting for the multiplicity of tax rates and varying tax credits and the comprehensive and transparent reporting of tax revenues - and doing all of this at substantially lower cost to the benefit of taxing authorities and taxpayers alike. Buoyed by these results, the Legislature ratified the enduring value of the Act 32 tax collection system when it passed Act 172 in 2016 allowing municipalities to give well-deserved EIT tax credits to their volunteer firefighters and other first responders – something that would not be technically feasible under the centralized statewide collection system contemplated by H.R. 291.

The October 2016 Budget and Finance Committee Report

The striking success of Act 32 was confirmed by the Legislative Budget and Finance Committee in its October 2016 Report, *The Impact of Act 32 on the Collection of Local Earned Income Taxes* based on a statutorily mandated audit of the Act 32 tax collection system. Although H.R. 291 cites that report as crediting Act 32 with an annual \$173 million increase in EIT collections, the report also found that:

1. Act 32 “has been successful in improving timeliness, and simplifying and increasing the amount of earned income taxes collected”;
2. Many stakeholders have recommended that Act 32 be used as a model to modernize the collection of other local taxes; and
3. Many other features of the Act 32 tax collection system have been lauded such as low tax collector fees, financial annual audits of the TCCs and annual SOC-1, Type II technology and security audits of their tax officers.

While noting the significant cost savings and increased EIT revenues attributed to Act 32 the joint legislative committee report recommended some improvements - most of which related to the oversight role played by the DCED - but in the end *embraced* Act 32. It is clear from the report that the primary goals of Act 32 have been achieved: streamlining the EIT collection process; increasing the efficiency of collections; reducing the cost of

collection, and providing EIT revenues to school districts and municipalities more quickly.

Our Experience

As noted, our tax officers Berkheimer and Keystone have developed specialized technology that seamlessly processes payroll withholding and distinguishes among multiple tax rates in varying jurisdictions. Our TCC members - school districts and municipalities alike – now receive *weekly* disbursements of EIT revenues, a capability that we understand DOR lacks.

When required by law, funds designated for particular uses (such as for the preservation of open space, Act 205 pension funding, Act 47, Act 172, etc. in jurisdictions where they are applicable) are identified and separated from general revenue funds for tracking and compliance. Notably, from 2012 through 2017 EIT collections have grown by at least 30% for each TCC at a cost of under 1.4% of tax revenues, with a combined cumulative cost savings of at least \$35 million since Act 32 was fully implemented.

The many benefits our TCCs currently receive under Act 32 will be at risk if control of local tax EIT collection is centralized at the state level, including:

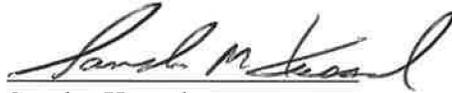
- Weekly disbursement of EIT revenue;
- 24/7 access;
- Customized reports for local budget projections and community impact analyses;
- Transparent auditing of collection and distribution of tax revenue;
- Employer and individual taxpayer compliance enforcement;
- Tailored assistance to employers, payroll companies and tax preparers;
- Extended service hours (evenings and weekends) during tax season;
- In house development and customization by our tax officers;
- More efficient delinquent tax collections and legal support; and
- Expeditious and equitable resolution of tax appeals.

Going Forward

As the two largest TCCs by total EIT revenues in Pennsylvania, we fully recognize that operational enhancements can be made and our TCCs are committed to making them happen. We stand ready to work with DOR and other stakeholders to constructively address electronic filing and local/state information sharing, as well as any steps that may be taken to address the legitimate concerns of employers and tax preparers.

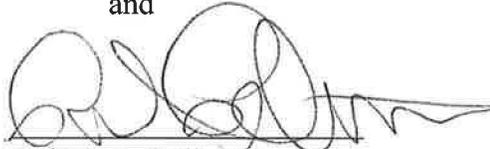
We would be happy to provide any further information to you as the study proceeds. In the meantime, please feel free to contact Sandra Kassel at (215) 541-2446 or [REDACTED] and Robert Pellegrino at (215) 357-6800 or [REDACTED]

Sincerely,



Sandra Kassel
Chair
Montgomery County Tax Collection Committee

and



Robert M. Pellegrino
Chair
Bucks County Tax Collection Committee

cc: Montgomery County and
Bucks County TCC Delegates



BOARD OF SUPERVISORS
HAMILTON TOWNSHIP

Township Formed August 29, 1810
272 MUMMERT'S CHURCH ROAD
ABBOTTSTOWN, PA 17301
OFFICE (717) 259-7237
FAX (717) 259-7255
Website: <http://twphamilton.com>

August 6, 2018

Mark Morabito,
Special Assistant
Pa Department of Revenue
VIA Email: [REDACTED]

Dear Mr. Morabito,

The Board of Supervisors of Hamilton Township request your opposition to HR 291 which is a study to establish a state tax collection department for the purpose of collection of the Earned Income Taxes currently collected by local agencies. Act 32 of 2008 is working and has refined the tax collection and distribution process for both York and Adams Counties through the work of the York Adams Tax Bureau (YATB). While revenues have increased for our municipalities the operational expenses of the Bureau have declined.

The PA Department of Revenue doe not have the capacity to oversee the collection of these taxes without many additional personnel, at a higher rate of employment. New facilities would become necessary while the current facilities of the local bureau would be rendered idle. Monthly distribution of revenues would be beleaguered, and the local municipalities would be strained to realize a steady cash flow. The state struggles year after year to adopt a budget on time while the local municipalities successfully adopt a balanced budget annually.

Do not attempt to fix what is not broken. If the Northern tier of the state has issues then concentrate on aiding those folk and allow those who are successful to remain that way.

Sincerely,

THE HAMILTON TOWNSHIP BOARD OF SUPERVISORS

Ronald L. Weidner
Chairman

*A Resolution of Hamilton Township, County of Adams,
Commonwealth of Pennsylvania, in opposition of
HR 291 of the 2017-2018 Session*

RESOLUTION NO. 2018-52

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection; and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts; and

WHEREAS, over the past six (6) years, Hamilton Township has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Hamilton Township; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Hamilton Township Board of Supervisors does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau;

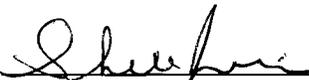
NOW, THEREFORE, BE IT HEREBY RESOLVED that Hamilton Township, Adams County, Pennsylvania desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **IT IS HEREBY FURTHER RESOLVED** that Hamilton Township is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania and encourages its legislators to oppose any legislation proposed to authorize mandated statewide collection of Earned Income Tax, and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Hamilton Township

Duly Resolved and adopted on this 6th day of August 2018.

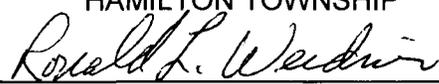
ATTEST:



Timothy D. Beard III, Vice Chairman



Shelby Jenkins, Secretary

HAMILTON TOWNSHIP


Ronald L. Weidner, Chairman



Michael A. Strausbaugh, Supervisor



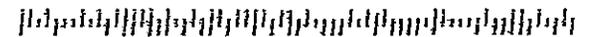
Gettysburg Area School District

900 Biglerville Road
Gettysburg, PA 17325-8007

HARRISBURG
PA 171
08 AUG '18
PM 1 L



PA Department of Revenue
Attn: Mark Morabito, Special Assistant
393 Walnut Street, 11th Floor Revenue Tower
Harrisburg, PA 17128





GETTYSBURG AREA SCHOOL DISTRICT

900 Biglerville Road • Gettysburg, Pennsylvania 17325-8007
Telephone 717-334-6254 • FAX 717-334-5220
www.gettysburg.k12.pa.us

August 7, 2018

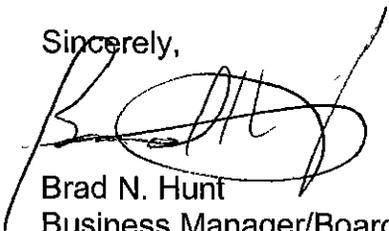
PA Department of Revenue
Attn: Mark Morabito, Special Assistant
393 Walnut Street, 11th Floor Revenue Tower
Harrisburg, PA 17128

Dear Mr. Morabito,

Enclosed is a copy of a resolution concerning Earned Income Tax collection that was unanimously passed by the Gettysburg Area School Board at its regularly scheduled meeting on Monday, August 6, 2018.

If there are additional questions, please contact me at (717) 334-6254 ext. 1226.

Sincerely,



Brad N. Hunt
Business Manager/Board Secretary

BNH/jad

Enclosure

cc Al Timko, York Adams Tax Bureau Director
Ron Harris, Adams County Tax Collection Committee Chair
Ferd Prehn, Adams County Council of Governments Chair

Gettysburg Area School District
Adams County, Pennsylvania

RESOLUTION

A RESOLUTION OF THE GETTYSBURG AREA SCHOOL DISTRICT, ADAMS COUNTY, PENNSYLVANIA, THAT

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

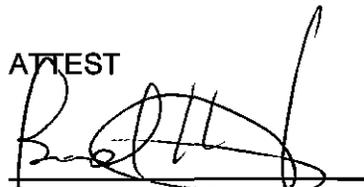
WHEREAS, over the past six (6) years, the Gettysburg Area School District has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Gettysburg Area School District; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Gettysburg Area School District does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau;

NOW, THEREFORE, BE IT HEREBY RESOLVED by Gettysburg Area School District, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32 **AND, IT IS HEREBY FURTHER RESOLVED** that Gettysburg Area School District is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Gettysburg Area School District

Duly resolved and adopted on this 6th day of August, 2018

ATTEST


Secretary

GETTYSBURG AREA SCHOOL DISTRICT


Board President



HAMILTONBAN TOWNSHIP BOARD OF SUPERVISORS

23 CARROLLS TRACT ROAD • P O BOX 526

FAIRFIELD, PA 17320

(717) 642-8509 • Fax (717) 642-9511

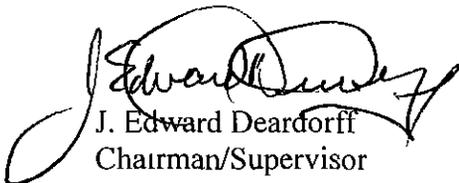
August 15, 2018

Mr. Mark Morabito
Special Assistant
Pennsylvania Department of Revenue
Strawberry Square
4th & Walnut Streets
Harrisburg PA 17128-1100

Dear Mr. Morabito:

Enclosed please find Hamiltonban Township Resolution 2018-11 for your records. The Board of Supervisors motioned to approve this resolution, opposing House Bill 291, calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax Collection, at our Board of Supervisors meeting held August 7, 2018. The Board of Supervisors feel the collection is best left at the local level.

Sincerely,


J. Edward Deardorff
Chairman/Supervisor
Hamiltonban Township

enclosure

Resolution Number 2018-11
Hamiltonban Township, Adams County, Pennsylvania

A RESOLUTION OF HAMILTONBAN TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA, THAT

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, Hamiltonban Township, Adams County have had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Hamiltonban Township, Adams County; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time, and

WHEREAS, Hamiltonban Township, Adams County does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau, and

NOW, THEREFORE, BE IT HEREBY RESOLVED by Hamiltonban Township, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Hamiltonban Township, Adams County is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Hamiltonban Township, Adams County.

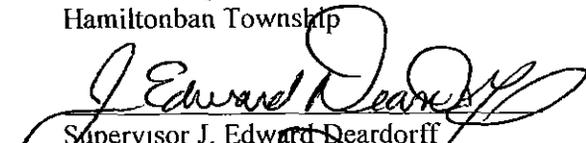
Duly Resolved and adopted on this 7th day of August, 2018.

ATTESTED BY:



Nina Garretson
Secretary/Treasurer

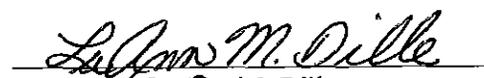
Board of Supervisors
Hamiltonban Township



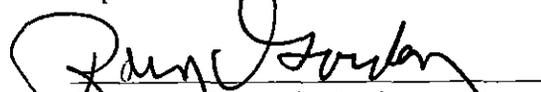
Supervisor J. Edward Deardorff



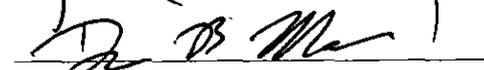
Supervisor Douglas W. Woerner



Supervisor LuAnn M. Dille



Supervisor Robert L. Gordon



Supervisor David B. Martin

BOROUGH OF McDONALD

151 SCHOOL STREET
MCDONALD, PA 15057
(724) 926-8711
FAX (724) 926-2750

August 16, 2018

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA. 17128

RE: Earned Income Tax Study

Mr. Morabito,

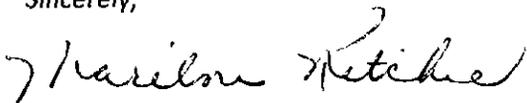
McDonald Borough has been informed that a study focused on the collection of local Earned Income Tax be conducted by the Department of Revenue. The purpose of the study is to determine the feasibility of transferring the responsibility for collection of Earned Income Tax to the Department of Revenue from the Tax Collection Districts.

We find this study NOT to be in the best interest of Washington County municipalities or school districts.

For all municipalities and school districts, Earned Income Tax revenues are an important source of funding. Since the adoption of ACT 32, considerable time and effort has been invested to create a system that is effective and efficient. It is unthinkable to abandon a system that has demonstrated it's worth by increased Earned Income Tax revenues not only in Washington County but across the state.

Please accept this letter in response to the "academic exercise" as a negative voice in this process!

Sincerely,



Marilou Ritchie, President
McDonald Borough Council

cc: Honorable Jason Ortitay

BOROUGH OF MIDWAY

P.O. BOX 574, SUITE 10
304 NOBLESTOWN ROAD
MIDWAY, PA 15060

PHONE 724-796-8700
FAX 724-796-5694
[REDACTED] et

August 16, 2018

Mr. Mark Morabito
Special Assistant to the
Deputy Secretary for
Compliance & Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution No. 291 of 2017

Dear Mr. Morabito:

We at Midway Borough feel the best approach for the collection of Earned Income Tax is with our Tax Collection District and with our appointed tax official - Keystone Collections Group. We have seen dramatic increases in tax revenues over what was collected prior to 2012. We also believe that the requirement for employers to collect and pay the Earned Income Tax for their employees was a positive move. As a previous tax collector, I advocated for this for years with no response from the Commonwealth.

With Act 32, Keystone Collections Group made major improvements in their capability to collect these taxes and it does not seem fair that their investment in their company to collect these taxes which was instituted by the Commonwealth under Act 32 is being ignored. Earned Income Tax is a large part of our budget and we feel we would suffer a negative financial impact with this change.

Currently, Keystone Collections Group processes the taxes and provides weekly deposits of these funds to our account. We are uncertain as to the capability of the Department of Revenue to provide us our funds on a timely basis. If the Commonwealth chooses to continue on this path we would hope that the Commonwealth would do the following:

- Provide weekly transfers of funds to each municipality.
- Provide a verification system to ensure taxpayer addresses are correct and that each municipality is receiving the appropriate money due them.

- Employer audits to verify that the employers are deducting Earned Income Tax from their employees and are being sent to the appropriate taxing authority.

We believe that the Department of Revenue collecting these taxes would only confuse taxpayers as they file their annual returns. We also understand that the Department of Revenue will be scheduling in-person discussions with the actual Tax Collecting Agency but feel that they should also include the Tax Collection Districts in these discussions as they represent the actual municipalities that they serve.

Sincerely,

BOROUGH OF MIDWAY



Darla Protch
Borough Secretary
Signing for the entire Midway Borough Council

cc: Honorable Jason Ortitay

BURGETTSTOWN AREA SCHOOL DISTRICT
100 BAVINGTON ROAD
BURGETTSTOWN, PA 15021



Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance
and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

1712862000 0000





BURGETTSTOWN AREA SCHOOL DISTRICT

100 Bavington Road Burgettstown, PA 15021
724-947-8136 Fax. 724-947-8143

August 23, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

RE: House Resolution No 291 of 2017

Dear Mr. Morabito:

As representatives of the Burgettstown Area School District, we want you to know we believe the Commonwealth of Pennsylvania is attempting to solve a problem that does not exist. Since the passage of Act 32, the Washington County Tax Collection District has worked with our appointed tax official, the Keystone Collection Group, to implement a process for Earned Income Tax collection that is both *efficient and effective*. We have seen dramatic increases in tax revenues over that which was collected prior to 2012. At the same time, our school district has seen our costs of collection dramatically decline.

Whatever advantages that the proponents of this shift in public policy envision will be more than offset by the impact felt by municipalities and school districts from disrupting this vital source of funding. For Burgettstown Area School District, Earned Income Tax revenues represent up to 5 3% of all tax revenues.

Another important aspect of current Earned Income Tax collection process is the timely deposit of funds. Cash flow is a challenge for Burgettstown Area School District. Under the current Earned Income Tax collection process, funds are collected, accounted for, and distributed on a weekly basis. We doubt the Commonwealth's ability to distribute funds to municipalities and school districts on a weekly basis. Failing to do so will result in wasteful tax anticipation notes.

Rather than *usurping the role of the County Tax Collection Districts*, the Commonwealth of Pennsylvania should be supporting their efforts through employer education and audits. Furthermore, to improve procedural efficiencies, the responsibility for the collection of all locally levied payroll-based taxes, including the Local Service Tax, should be collected by the Tax Collection Districts.

August 23, 2018
Mr. Mark Morabito
Page 2

If the Commonwealth of Pennsylvania chooses to pursue collection of local income taxes through the Department of Revenue, the following principles must be incorporated into the process:

- 1 Service fees should not exceed 1.5% of collection;
- 2 Funds must be transferred electronically to local taxing authorities on a weekly basis;
- 3 Geodata verification of taxpayer addresses must be incorporated into the collection process to insure crediting the correct taxing authority,
4. extensive employer audits must be performed to ensure that taxes are being collected and payments are being sent to the appropriate taxing authority; and
5. Responsibility for collection of the Local Services Taxes should be transferred to the Department of Revenue.

To effectively implement statewide collection of a local income tax, Pennsylvania will be required to change the basis of taxation from an Earned Income Tax to a Personal Income Tax. There is no doubt strong opinions as to the wisdom of implementing such a change. Failing to do so, however, would confuse taxpayers as they file their annual returns or could necessitate filing multiple returns to the Department of Revenue.

It is certainly appropriate that the Pennsylvania Department of Revenue has reached out to the appointed tax collectors and scheduled in-person discussions. They certainly have much at stake from your study. We are disappointed that your process does not afford the Tax Collection Districts that same opportunity. The Burgettstown Area School District requests that the Pennsylvania Department of Revenue not pursue any change to the local collections of Earned Income Tax.

Sincerely,



James M. Walsh, Superintendent

Jamie O'Donnell, Business Manager

cc. Honorable Jim Christiana
Honorable Jason Ortity



Welcome To
est. 1776
**NORTH FRANKLIN
TOWNSHIP**

620 Franklin Farms Road
Washington, PA 15301

Phone (724)228-3330

Fax (724)228-2150

August 30, 2018

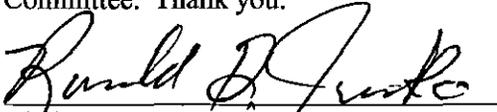
Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution No. 291 of 2017

Dear Mr. Morabito:

Please be advised that it is the position of this Board of Supervisors that state wide collection of the Earned Income Tax is not in the best interest of North Franklin Township. One of the most important aspects of our current tax official, Keystone Collection Group, are the timely deposits of funds, which quite often have determined whether or not bills were paid on time

We agree with the letter dated July 10, 2018, from Paul F. Lauer, Chairman, Washington County Tax Collection Committee. Thank you.


Chairman


Vice-Chairman


Supervisor

Cc: Honorable Timothy O'Neal



BENTWORTH SCHOOL DISTRICT

**Business Office
150 Bearcat Drive
Bentleyville, Pennsylvania 15314**

Phone: 724.239.2861 ext 3267 Fax: 724.239.2865 em [REDACTED]

September 17, 2018

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg PA 17128

Dear Mr. Morabito:

This correspondence is to state the Bentworth School District's opposition to a shift from the current county wide collections of local Earned Income Tax (EIT) to a statewide collection system as appears to be the intent of House Resolution No. 291 of 2017.

Since the passage of Act 32 and moving to a county wide system of collection, not only has this revenue source increased dramatically, the deposits are timely. Under our current system funds are collected and distributed **weekly into our accounts**. This is a critical piece of maintaining a sufficient cash flow. If collections move to a statewide system, school districts and municipalities should expect no less than weekly deposits as well as timely and detailed reports.

I have served on the Washington County Tax Collection District executive board since its inception in 2010. The committee, as well as the Keystone Collection Group, have invested significant time and resources and now have a successful system in place for the collection of these funds. It is extremely disheartening and also unfair that the county committees and their collectors have worked tirelessly to create successful programs to then hand them over to the state. If it was always the intent to collect statewide, it is shameful that all counties, school district and municipalities had to first implement a system that worked.

The current system is efficient, effective and financially advantageous. Please do not attempt to fix a system that is not broken.

Sincerely,

A handwritten signature in black ink that reads "Debra J. Babirad". The signature is written in a cursive style.

Debra J. Babirad
Business Manager/Board Secretary

db

Enclosure

cc: Board of Education
WCTCD

**RESOLUTION URGING THE PA DEPARTMENT OF REVENUE TO ABANDON THE
MOVE TO A STATEWIDE EARNED INCOME TAX COLLECTION SYSTEM**

**BY THE BOARD OF DIRECTORS OF THE
BENTWORTH SCHOOL DISTRICT**

WHEREAS, the passage of Act 32 of 2008 mandated the creation of county wide collectors for earned income tax; and

WHEREAS, the school districts and municipalities complied, resulting in the creation of county wide committees; and

WHEREAS, these representatives have fully embraced and committed to the county wide concept expending significant time and utilizing local resources to ensure success; and

WHEREAS, Bentworth School District earned income tax revenue has increased exponentially and is remitted to the district on a weekly basis from the Keystone Collection Group; and

WHEREAS, the district is vehemently opposed to moving to a statewide collection; and

WHEREAS, the district does not believe it is in our financial interest to move away from a successful county wide collection system.

NOW, THEREFORE, BE IT RESOLVED that the Bentworth School District urges the Pennsylvania Department of Revenue to abandon the study mounted to determine the feasibility of transferring the responsibility for collection of Earned Income Tax to the state; and

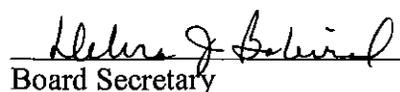
BE IT FURTHER RESOLVED that the Bentworth School District will encourage others, including district taxpayers to contact their state representative(s) to express concern for this proposed change; and

BE IT FURTHER RESOLVED that a copy of this resolution submitted to the elected senators and representatives of the Bentworth School District in the General Assembly, and to the Governor of Pennsylvania.

Adopted this 17th day of September, 2018.



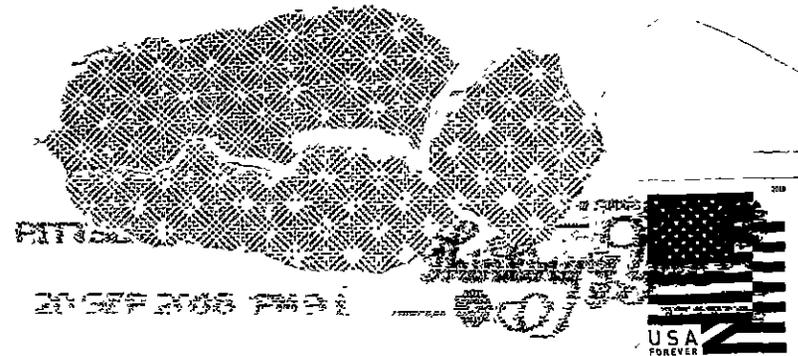
School Board President



Board Secretary (seal)



GOVERNMENT of CALIFORNIA
225 THIRD STREET
CALIFORNIA, PA 15419



Mr. Mark Morabito
Special Assistant to the Deputy Secretary for
Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

17128-2000



BOROUGH OF CALIFORNIA

225 Third Street
California, Pennsylvania 15419

Telephone (724) 938-8878
Fax (724) 938-8881

September 19, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

RE: House Resolution No. 291 of 2017

Dear Mr. Morabito,

It is California Borough Council's opinion that the Commonwealth of Pennsylvania is attempting to solve a problem that does not exist. Since the passage of Act 32, Washington County Tax Collection District has worked with our appointed tax official and Keystone Collection Group to implement a process for Earned Income Tax Collection that is efficient and effective. As a taxing authority we have seen dramatic increases in our tax revenues over what was collected prior to 2012 and our cost of collection has dramatically declined.

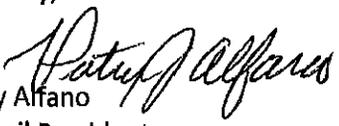
Keystone Collection Group has done exceedingly well in meeting our demands to alter their processes and technology to provide vital income to our municipality in a timely manner and very efficiently. Whatever advantages this shift in policy may be to the Commonwealth cannot out way the impact that it would have on our Municipality.

Currently, our funds are directly deposited into our bank on a weekly basis and a report on those funds is distributed monthly, which brings up the question would the Pennsylvania Department of Revenue be able to distribute our funds on a weekly basis. Failing to do so would result in our municipality seeking wasteful tax anticipation notes.

Currently our County Tax Collection District collects both Earned income tax and Local Service Tax, so unless the Department of Revenue can collect both the Earned Income Tax and the Local Service tax we strongly stand against any transition of collection by the Pennsylvania Department of Revenue. Separate taxing entities of these taxes would cause more confusion to our taxpayers and possibly the filing of two separate returns which would only add to the confusion.

Quite simply we are very pleased with how our Tax Collection District has worked and implemented a tax collection system that works for every Municipality. It works and it works well, so please don't fix it because it is not broken.

Sincerely,


Patsy Alfano
Council President

Cc: Honorable Mayor Stetar
Honorable Bud Cook
Honorable Camera Bartolotta

BOROUGH OF MIDWAY

P.O BOX 574, SUITE 10
304 NOBLESTOWN ROAD
MIDWAY, PA 15060

PHONE 724-796-8700
FAX 724-796-5694

Mr. Mark Morabito
Special Assistant to the Deputy Secretary
for Compliance & Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Dear Mr. Morabito,

Enclosed is our Resolution #2018 – 003 supporting Act 32 and requesting the state to abandon their study to collect Earned Income Tax on a statewide basis.

Sincerely,



Darla Protch
Midway Borough Secretary

**MIDWAY BOROUGH
RESOLUTION 2018 – 003**

**RESOLUTION URGING THE PA DEPARTMENT OF REVENUE TO ABANDON THE
MOVE TO A STATEWIDE EARNED INCOME TAX COLLECTION SYSTEM**

BY THE COUNCIL OF MIDWAY BOROUGH

WHEREAS, the passage of Act 32 of 2008 mandated the creation of county wide collectors for earned income tax; and

WHEREAS, the school districts and municipalities complied, resulting in the creation of county wide committees; and

WHEREAS, these representatives have fully embraced and committed to the county wide concept expending significant time and utilizing local resources to ensure success; and

WHEREAS, Midway Borough earned income tax revenue has increased exponentially and is remitted to the district on a weekly basis from the Keystone Collection Group; and

WHEREAS, the Borough is vehemently opposed to moving to a statewide collection; and

WHEREAS, the Borough does not believe it is in our financial interest to move away from a successful county wide collection system.

NOW, THEREFORE, BE IT RESOLVED that the Midway Borough Council urges the Pennsylvania Department of Revenue to abandon the study mounted to determine the feasibility of transferring the responsibility for collection of Earned Income Tax to the state; and

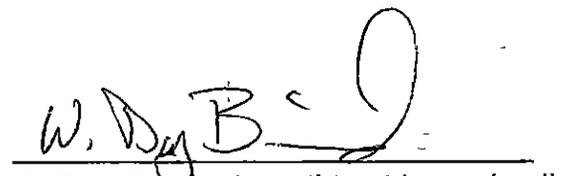
BE IT FURTHER RESOLVED that the Midway Borough Council will encourage others, including district taxpayers to contact their state representative(s) to express concern for this proposed change; and

BE IT FURTHER RESOLVED that a copy of this resolution submitted to the elected senators and representatives of Midway Borough in the General Assembly, and to the Governor of Pennsylvania.

Adopted this 1st day of October, 2018



Darla Protch – Borough Secretary



W. Doug Baird – Council President (seal)

Elmhurst Township
Resolution #5 of 2018

Whereas, House Resolution 291 of 2017 (Printer's No. 3173) directs the Department of Revenue and others to undertake a study of replacing the current local earned income tax collection with a statewide collection system domiciled in the Department of Revenue; and

Whereas, the above mentioned resolution requires consideration of input from counties, Municipalities, and school districts; and

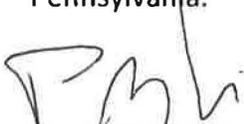
Whereas, Elmhurst Township of Lackawanna County fully supports the collection of the Earned Income Tax (EIT) by the county tax collection agencies as authorized by Act 32 of 2008; and

Whereas, the Act 32 collections of the EIT is working well, collections are up and costs down, there is frequency and accuracy of the distributions, there is a high level of personal service for both the PSDs and Taxpayers/Employers, and transferring the collection to the Department of Revenue of the Commonwealth of Pennsylvania would result in a loss of local control and would remove the advantages of a competitive marketplace; and

Whereas, the current system of collection by county tax collection committees have met the objections of Act 32 consolidation (increased revenues, lower costs, higher collection standards, reduced employer burden), while maintaining local control; and

Whereas, by all accounts Act 32 has been a resounding success;

Now, Therefore Be It Resolved, that Elmhurst Township of Lackawanna County is opposed to the General Assembly transferring the collection of the EIT from the local county collection committees as set up by Act 32 to the Department of Revenue of the Commonwealth of Pennsylvania.



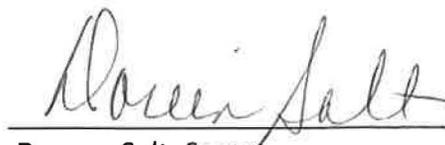
Patrick McLaine, Chairman



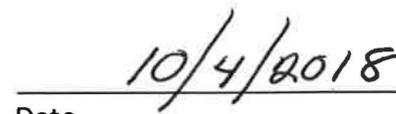
Merle Lyon



Robert Parkins



Doreen Salt, Secretary



Date

Jefferson Township
487 Cortez Road
Jefferson Twp., Pa. 18436

Board of Supervisors

Jason B. Hollister, Chairman
Matthew D. Pendrak – John H. Patterson, Jr.

Solicitor

Anthony J. Magnotta, Esq.

Township Secretary

Coleen Watt Phone (570)689 - 7028 Fax (570)689-7863

Zoning Officer

Hugo Mills Phone (570) 689- 3307

October 15, 2018

Pennsylvania Department of Revenue Executive Office
Attn: Mark Morabito
11th Floor Strawberry Square
4th and Walnut Streets
Harrisburg, PA 17128

RE: House Resolution 291

Dear Mr. Morabito,

At a recent meeting of the Jefferson Township Board of Supervisors the Board voted to oppose a study to replace the current local earned income tax collection with a statewide collection system domiciled in the Department of Revenue. Jefferson Township is satisfied with the current collection system and feels transferring collections to the Department of Revenue would not only result in the loss of local control but would also remove the advantages of a competitive marketplace.

We trust you will support the Local Tax Collection Committee's and leave collections as established under Act 32 of 2008.

Sincerely,



Coleen Watt, Secretary

Encl.

Resolution 2018-7

WHEREAS, House Resolution 291 of 2017 (Printer's No. 3173) directs the Department of Revenue and others to undertake a study of replacing the current local earned income tax collection within a statewide collection system domiciled in the Department of Revenue; and

WHEREAS, the above-mentioned resolution requires consideration of input from counties, municipalities, and school districts; and

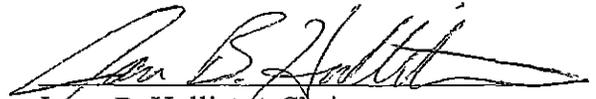
WHEREAS, the Board of Supervisors of Jefferson Township fully supports the collection of the Earned Income Tax (EIT) by the county tax collection agencies as authorized by Act 32 of 2008; and

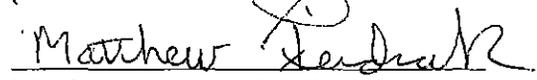
WHEREAS, the Act 32 collections of the EIT is working well, collections are up and costs down, there is frequency and accuracy of the distributions, there is a high level of personal service for both the PSD's and Taxpayers/Employers, and transferring the collection to the Department of Revenue of the Commonwealth of Pennsylvania would result in a loss of local control and would remove the advantages of a competitive marketplace; and

WHEREAS, the current system of collection by county tax collection committees have met the objectives of Act 32 consolidation (increased revenues, lower costs, higher collection standards, reduced employer burden), while maintaining local control; and

WHEREAS, by all accounts Act 32 has been a resounding success;

NOW THEREFORE BE IT RESOLVED, this 8th day of October, 2018, the Board of Supervisors of Jefferson Township oppose the General Assembly transferring the collection of the EIT from the local county collection committees as set up by Act 32 to the Department of Revenue of the Commonwealth of Pennsylvania.


Jason B. Hollister, Chairman


Matthew D. Pendrak, Vice-Chairman


John H. Patterson, Jr., Supervisor

MONROE COUNTY TAX COLLECTION COMMITTEE
147 MUNICIPAL DRIVE
EAST STROUDSBURG, PENNSYLVANIA 18302

April 4, 2018

Honorable John Maher
2547 Washington Road #711
Pittsburgh PA 15241

RE: House Resolution No. 291

Dear Representative Maher:

I am writing on behalf of the Monroe County Tax Collection Committee, Monroe County ("MCTCC") regarding House Resolution No. 291 Session of 2017 and amended on March 14, 2018.

The Delegates of the "MCTCC" are admittedly opposed to House Resolution No. 291 whereas the Pennsylvania Department of Revenue would replace the local earned income tax collection methods already in place.

Although we cannot presume what other tax collection committees are experiencing throughout the Commonwealth, the MCTCC is extremely pleased with Berkheimer as our EIT Tax Collector.

We hope you will consider our position opposing House Resolution No. 291 when it comes before you.

Sincerely,

Monroe Tax Collection Committee



Michele L. Clewell
Secretary/Treasurer

Cc: Representative Rosemary Brown
Representative Maureen Madden
Representative Jack Rader, Jr.
Senator John P. Blake
Senator Mario M. Scavello

Delaware Water Gap Borough • East Stroudsburg Borough • Mount Pocono Borough • Stroudsburg Borough • Barrett Township • Chestnuthill Township • Coolbaugh Township • Eldred Township • Hamilton Township • Jackson Township • Lehman Township • Middle Smithfield Township • Paradise Township • Pocono Township • Polk Township • Price Township • Ross Township • Smithfield Township • Stroud Township • Tobyhanna Township • Tunkhannock Township • East Stroudsburg Area School District • Pleasant Valley School District • Pocono Mountain School District • Stroudsburg Area School District •

Resolution 2018-06
By the Board of Supervisors of
Athens Township, Bradford County, PA

In Support of Current Earned Income Tax Collections, As Defined By Act 32
And
In Opposition to Legislative Initiatives to Mandate Centralized Services

WHEREAS, the Bradford County Tax Collection Committee (BCTCC) has been authorized under Act 32 to oversee the collection and distribution of Earned Income Taxes (EIT) for all taxing authorities in Bradford County; and

WHEREAS, the BCTCC is responsible to monitor, audit and evaluate each aspect of the process; and

WHEREAS, the BCTCC is authorized to establish the most cost-effective, efficient method to collect and distribute EIT revenue on behalf of all Bradford County Taxing authorities; and

WHEREAS, the BCTCC has experienced unparalleled revenue growth and efficiency since the adoption of PA Act 32 in 2009, and exemplary service and value working with its current collections contractor, and

WHEREAS, the BCTCC values its ability to choose its own contractor for daily/operational services, to ensure the highest degree of accuracy, efficiency and value for the taxpayers of Bradford County; and

WHEREAS, the BCTCC is aware of an initiative (HR 291) which was endorsed by the PA House of Representatives to study and explore a proposal to consolidate these services on behalf of all counties in the Commonwealth of PA, specifically through an agency such as the PA Department of Revenue.

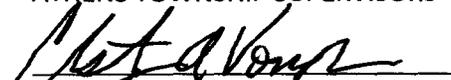
NOW THEREFORE, BE IT RESOLVED that the Board of Supervisors of Athens Township, Bradford County, hereby gives its full support to maintain all current policies and procedures related to EIT collections and distributions as defined by Act 32.

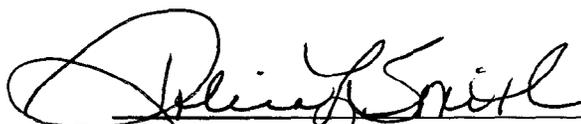
BE IT FURTHER RESOLVED that the Board of Supervisors of Athens Township, Bradford County, strongly opposes any legislative initiatives to consolidate EIT services through any central agency at the state level. Additionally, we encourage our BCTCC representatives to work with all local, state agencies and private contractors, to explore any and all options to improve or enhance current methodology for EIT collection/distribution and to avail themselves for discussions that might offer improvements.

Adopted this 26th day of September, 2018.

Signed,

ATHENS TOWNSHIP SUPERVISORS


Christine A. Vough, Chairwoman


Robin L. Smith, Secretary (seal)

Morabito, Mark

From: afreda [REDACTED] >
Sent: Thursday, July 05, 2018 2:14 PM
To: Morabito, Mark
Cc: Woglom, David L.; 'Allen'; 'Allen/Nazareth'; 'Bangor'; 'Bangor'; 'Bangor'; 'Bangor SD'; 'Bangor SD A'; 'Bangor SD AA'; 'Bath'; 'Bethlehem'; 'Bethlehem A'; 'Bethlehem Schools'; 'Bethlehem Schools A'; 'Bethlehem SD A'; 'Bushkill'; 'Chapman'; 'Chapman A'; 'East Allen'; 'East Allen A'; 'East Bangor'; 'East Bangor'; 'Easton'; 'Easton SD'; 'Easton SD A'; 'Forks'; 'Forks A'; 'Fountain Hill'; 'Fountain Hill A'; 'Freemansburg'; 'Freemansburg A'; 'Freemansburg A'; 'Glendon'; 'Hanover'; 'Hanover A'; 'Hellertown'; 'Hellertown/LS/LSSD A'; 'Hellertown/LS/SVSD A'; 'Lehigh'; 'Lehigh'; 'Lehigh A'; 'Lower Mt. Bethel'; 'Lower Mt. Bethel'; 'Lower Nazareth'; 'Lower Nazareth'; 'Mike Gaul'; 'Moore'; 'Nazareth A'; 'Nazareth A'; 'Nazareth SD'; 'Nazareth SD A'; 'Nazareth SD A'; 'Northampton'; 'Northampton A'; 'Northampton Schools A'; 'Northampton SD'; 'Palmer'; 'Palmer A'; 'Pen Argyl SD/Wind Gap'; 'Plainfield'; 'Plainfield'; 'Portland'; 'Rose Harr'; 'Roseto'; 'Roseto A'; 'Stockertown'; 'Stockertown'; 'Tatamy'; 'Tatamy'; 'Upper Mt. Bethel'; 'Upper Nazareth'; 'Washington Township'; 'Washington A'; 'Washington AA'; 'Williams'; 'Wilson'; 'Wilson SD'; 'Wilson SD'; 'Wind Gap A'; [REDACTED]
Subject: RE: Statewide Collection of EIT

Mr. Morabito:

As a delegate of the Northampton County Tax Collection Committee, I would like to express concern in having the state assume the collection and disbursement of local earned tax. This concern is shared by our governing body; Board of Commissioners. Bethlehem Township has been a host meeting site for public TCC meetings going back several years, near inception of Act 32. I have had the opportunity to hear first-hand positive testimonials shared by many of my peer delegates on the success of the current system.

The implementation of Act 32 has been very beneficial to all parties involved and the current system is working extremely well. It is crucial that our communities maintain local control and oversight of these tax revenues, adding a level of bureaucracy would only lead to complications to the system that is not welcomed. I have outlined below some of the benefits that may be lost if control of local tax collections were centralized at the state level.

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet our needs

In closing, we believe the current system is both efficient, effective and successful and therefore; should not be moved to a state-run system. Thank you in advance for your willingness to entertain feedback shared from the local level.

Andrew J. Freda
Director of Finance
Bethlehem Township
4225 Easton Avenue
Bethlehem, PA 18020
610.814.6456 (office)
610.814.6408 (fax)

[REDACTED]

From: Woglom, David L. [REDACTED]

Sent: Tuesday, July 3, 2018 9:15 AM

To: [REDACTED]

[REDACTED]

Subject: Statewide Collection of EIT

Dear TCC Delegates and Alternates—

As you may know, the state legislature has authorized the Department of Revenue to complete a study about the feasibility of centralizing collection of EIT at the state level. Attached is a letter from Keystone to our member municipalities and school districts soliciting your input to them concerning this study.

This week, in response to a letter I received from the State Department of Revenue, I talked with a staffer and told him that our TCC members were very pleased with the outcome of Act 32 and how it increased our EIT revenues and lowered the cost of collection—therefore, a winner on both fronts. I also told him that I was concerned over the concept of the state assuming control of EIT collection given our successes under the current system. At his request, I also followed up this conversation with a brief email summarizing what I had said to him.

Please feel free to respond to Rose Harr's letter above if you wish. If you have any questions, please don't hesitate to contact me.

Dave Woglom

Morabito, Mark

From: Bradford County TCC [REDACTED]
Sent: Tuesday, July 10, 2018 2:29 PM
To: Morabito, Mark
Subject: RE: House Res 291-Statewide EIT Collection study

Mark,

Please keep in mind that the letter incorporates the feedback I received from our taxing authorities. I'm happy to pass these concerns along as this is very important to us, especially the smaller municipalities who really depend on their local earned income tax revenue.

Please keep us posted on the results of the meeting and study.

Thank you.
Brenda

Brenda A Ferguson
Secretary
Bradford County Tax Collection Committee
4332 Herrickville Rd, Wyalusing, PA 18853
T/F: 570-746-3231

From: Morabito, Mark [REDACTED]
Sent: Tuesday, July 10, 2018 2:18 PM
To: Bradford County TCC
Subject: RE: House Res 291-Statewide EIT Collection study

Brenda – Thank you for your thoughtful and candid letter. I appreciate the feedback.

Mark

From: Bradford County TCC [REDACTED]
Sent: Tuesday, July 10, 2018 2:01 PM
To: Morabito, Mark [REDACTED]
Cc: [REDACTED]
Subject: House Res 291-Statewide EIT Collection study
Importance: High

Good afternoon Mr. Morabito,

Please find attached a letter from the Bradford County Tax Collection Committee incorporating concerns from its member taxing authorities about the possibility of the statewide collection of the local earned income tax.

Also, please note our correct address below my signature. For some reason your letter was addressed to our "pre-911 readdressing" address from late 2010. I'm not sure where you received our contact information. Every year I have sent in a form to DCED listing our correct contact information. I have attached a copy of this year's form for your convenience.

Thank you for the opportunity to voice our comments and concerns on this important matter.

Sincerely Yours,
Brenda

*Brenda A Ferguson
Secretary
Bradford County Tax Collection Committee
4332 Herrickville Rd, Wyalusing, PA 18853
T/F: 570-746-3231*



CHARLEROI AREA SCHOOL DISTRICT

Edward J. Zelich, Ed.D., Superintendent
[REDACTED]

Crystal Zahand, Business Manager
[REDACTED]

Elaina Zitney, Special Education/Program Director
[REDACTED]

September 26, 2018

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Dear Mr. Morabito

This correspondence is to state the Charleroi Area School District's opposition to a shift from the current county wide collections of local Earned Income Tax (EIT) to a statewide collection system as appears to be the intent of House Resolution No 291 of 2017.

Since the passage of Act 32 and moving to a county wide system of collection, not only has this revenue source increased dramatically, the deposits are timely. Under our current system funds are collected and distributed **weekly into our accounts**. This is a critical piece of maintaining a sufficient cash flow. If collections move to a statewide system, school districts and municipalities should expect no less than weekly deposits as well as timely and detailed reports.

The Washington County Tax Collection District, as well as the Keystone Collection Group, have invested significant time and resources and have a successful system in place for the collection of local earned income tax. Indeed, it would be detrimental to our District to change the manner in which our local EIT is collected. The current system in place is working for school districts better than it ever has.

The current system is efficient, effective and financially advantageous.

Kindest regards,

Crystal Zahand
Business Manager

cc Board of Education
WCTCD

125 Fecsen Drive, Charleroi, PA 15022-2299 • Phone: 724-483-3509 • Fax: 724-483-3776

We Are An Equal Rights And Opportunities Educational Agency

**RESOLUTION URGING THE PA DEPARTMENT OF REVENUE TO ABANDON THE
MOVE TO A STATEWIDE EARNED INCOME TAX COLLECTION SYSTEM**

**BY THE BOARD OF DIRECTORS OF THE
CHARLEROI SCHOOL DISTRICT**

WHEREAS, the passage of Act 32 of 2008 mandated the creation of county wide collectors for earned income tax; and

WHEREAS, the school districts and municipalities complied, resulting in the creation of county wide committees; and

WHEREAS, these representatives have fully embraced and committed to the county wide concept expending significant time and utilizing local resources to ensure success; and

WHEREAS, Charleroi School District earned income tax revenue has increased exponentially and is remitted to the district on a weekly basis from the Keystone Collection Group; and

WHEREAS, the district is vehemently opposed to moving to a statewide collection; and

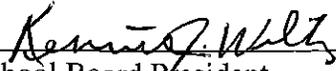
WHEREAS, the district does not believe it is in our financial interest to move away from a successful county wide collection system.

NOW, THEREFORE, BE IT RESOLVED that the Charleroi School District urges the Pennsylvania Department of Revenue to abandon the study mounted to determine the feasibility of transferring the responsibility for collection of Earned Income Tax to the state; and

BE IT FURTHER RESOLVED that the Charleroi School District will encourage others, including district taxpayers to contact their state representative(s) to express concern for this proposed change; and

BE IT FURTHER RESOLVED that a copy of this resolution submitted to the elected senators and representatives of the Charleroi School District in the General Assembly, and to the Governor of Pennsylvania.

Adopted this 25th day of September, 2018.


School Board President


Board Secretary (seal)

Fallowfield Township Board of Supervisors

9 Memorial Drive

Charleroi, PA 15022

Telephone No. 724-483-8700 or 724-239-2700

Facsimile No. 724-239-2717

Email address: [REDACTED]

September 24, 2018

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution #291 of 2017

Dear Mr. Morabito:

The Board of Supervisors of Fallowfield Township voted at their regular monthly meeting held on August 29, 2018, to send correspondence expressing our concerns regarding House Resolution #291. The Township feels that this Resolution is attempting to solve a problem that **does not exist**.

Since the passage of Act 32, we have been involved in a process for Earned Income Tax collection that is both efficient, effective and has dramatically increased our tax revenue. Earned Income Tax revenue is crucial to the survival of all Townships, large and small. Further, since the adoption of Act 32, considerable time and effort has been invested to create a system that has demonstrated its worth, as measured by increased EIT revenues, and to now abandon the system, would be unreasonable. We hope you will hear our **voice of concern** and abandon this idea. We are sure that the Commonwealth already has plenty on its plate and does not need to take on an issue that in its current state is working perfectly. Thank you.

Very truly yours,

FALLOWFIELD TOWNSHIP

BY: Karen Talbert
Karen Talbert, Secretary/Treasurer

cc Senator Camera Bartolotta
Representative Bud Cook

Morabito, Mark

From: [REDACTED]
Sent: Tuesday, July 10, 2018 1:46 PM
To: Morabito, Mark
Cc: John DeRemer
Subject: HR No. 291

Dear Mark,

This letter is in response to HR No. 291 and the impact that it may have on current system of earned income tax collection as enacted by Act 32 of 2008. We in Crawford County have found that the current system in place is working just fine and there is no need to change. Two years ago, our Management Committee conducted an internal study to find how our participating members felt about the Act 32 process after five years of implementation. We had 100% feedback from municipalities and school districts to our questionnaire and all of the responses were positive: there were significant increases in revenue, costs were much lower in collecting the tax, the standards for Berkheimer Tax Innovations were much higher than our previous individual tax collectors, and there appeared to be less Employer burdens in implementing the tax. The current system is working.

I want to add that our Tax Collector in Crawford County, Berkheimer Tax Innovations, has done an excellent job in conducting the business of collecting our EIT and has been very responsive to the needs of our fellow constituents. We are very pleased with their performance. Maybe those TCCs that are experiencing difficulties should take note.

Sincerely,

Jeffery L. Amon

Jeffery L. Amon, Chairman
Crawford County Tax Collection Committee



MIDDLESEX TOWNSHIP

350 N. MIDDLESEX ROAD, SUITE J • CARLISLE, PA 17013 • 717-249-4409 Or 844-256-7024 • FAX 717-249-8564

Board of Supervisors:
Donald S. Geistwhite, Jr., Steven Larson, William Goodhart

Municipal Manager
Eileen M. Gault

Zoning Officer:
Mark D. Carpenter

July 11, 2018

Cumberland County Tax bureau
21 Waterford Drive
Mechanicsburg, PA 17050

Dear Members of the Cumberland County Tax Bureau:

I write this letter on behalf of the Board of Supervisors, Middlesex Township, Carlisle, Pennsylvania.

With House Resolution 291's proposed study to determine the feasibility of a statewide collection of local earned income tax being discussed, the Supervisors strongly support the Bureau operations and earned income tax collection remaining at the local level. Act 32 of 2008 resulted in the county earned income tax collection system that already had significant cost to the local taxpayer.

In closing, Middlesex Township Board of Supervisors wish to remain with the Cumberland County Tax Bureau in which all confidence of efficiency and accountability have been exemplified under the direction of Executive Director Susan R.S. Pinti.

Sincerely,

A handwritten signature in cursive script that reads "Eileen M. Gault".

Eileen M. Gault
Township Manager



July 10, 2018

The Honorable Mike Regan
Senator, 31st District
PO Box 203031
Harrisburg, PA 17120-3031

Dear Senator Regan:

During its work session meeting on Thursday, July 5, 2018, Lemoynepa Borough Council authorized this letter in opposition to House Resolution 291 requiring the Department of Revenue to undertake a study to determine the feasibility and potential cost savings involved with a statewide collection process to replace local collection of earned income taxes (EIT).

It is the position of the Borough of Lemoynepa that EIT collection should remain at the local level. The Cumberland County Tax Bureau has many years of experience as well as the required infrastructure to bring about more efficient distributions. It is also the Borough's opinion that the Bureau is better able to collect non-resident EIT than the state would be. The Bureau is well-versed in the various school district/municipality splits in rates and distributions and is also better able to track transfers and corrections when individual taxpayers move in and out of municipal boundaries. For these reasons, as well as for the Bureau's extremely low cost of collection, Lemoynepa Borough Council does not support the transfer of this responsibility to a statewide collection agency.

Should you have questions or require additional information concerning the Borough's support for the Cumberland Tax Collection Bureau and/or its opposition to transferring EIT collection from the local level to a statewide agency, feel free to contact me.

Sincerely,

Gale E. Gallo
Borough Council President

/clf

cc: Susan R.S. Pinti, Executive Director
Cumberland County Tax Bureau

510 Herman Avenue
Lemoynepa, PA 17043-1822
717.737.6843

www.lemoynepa.com



July 10, 2018

The Honorable Sheryl M. Delozier
State Representative
88th Legislative District
PO Box 202088
Harrisburg, PA 17120-2088

Dear Representative Delozier:

During its work session meeting on Thursday, July 5, 2018, Lemoyne Borough Council authorized this letter in opposition to House Resolution 291 requiring the Department of Revenue to undertake a study to determine the feasibility and potential cost savings involved with a statewide collection process to replace local collection of earned income taxes (EIT).

It is the position of the Borough of Lemoyne that EIT collection should remain at the local level. The Cumberland County Tax Bureau has many years of experience as well as the required infrastructure to bring about more efficient distributions. It is also the Borough's opinion that the Bureau is better able to collect non-resident EIT than the state would be. The Bureau is well-versed in the various school district/municipality splits in rates and distributions and is also better able to track transfers and corrections when individual taxpayers move in and out of municipal boundaries. For these reasons, as well as for the Bureau's extremely low cost of collection, Lemoyne Borough Council does not support the transfer of this responsibility to a statewide collection agency.

Should you have questions or require additional information concerning the Borough's support for the Cumberland Tax Collection Bureau and/or its opposition to transferring EIT collection from the local level to a statewide agency, feel free to contact me.

Sincerely,

Gale E. Gallo
Borough Council President

/clf

cc: Susan R.S. Pinti, Executive Director
Cumberland County Tax Bureau

510 Herman Avenue
Lemoyne, PA 17043-1822
717.737.6843

www.lemoynepa.com



June 29, 2018

Cumberland County Tax Bureau
21 Waterford Drive
Mechanicsburg, PA 17050

Dear Members of the Cumberland County Tax Bureau:

The Newville Borough Council on June 29, 2018 discussed House Resolution No. 291 of 2017 which requires the PA Department of Revenue to conduct a study regarding the possibility of enacting a statewide collection of local earned income tax, replacing the present method of tax collection established according to Act 32 of 2008. The Borough Council understands this proposed study would determine the feasibility and potential cost savings involved with a statewide collection process.

While a cost savings is certainly a possibility of a state operated earned income tax collection system, it would appear that the Commonwealth is ten years too late in its current analysis of this proposal. The time to have considered a statewide earned income tax collection system was 2008. Act 32 resulted in the county earned income tax collection system. The tax collection bureaus that were established throughout the 67 counties across Pennsylvania were created at significant cost to the local taxpayers. It appears that this system is working. Cumberland County enjoys the benefits of an efficient and progressive bureau, operated under the direction of Executive Director Susan R.S. Pinti. Municipalities receive earned income tax revenues on-time each month. If we experience any difficulties, an email or phone call to Ms. Pinti results in an immediate response. Budgets of the Cumberland County Tax Bureau have been adopted on time, and the annual audits consistently show no irregularities.

Perhaps the General Assembly and Governor may wish to consider a state wide earned income tax collection system once the Commonwealth has its fiscal house in order and begins to adopt the state budget on time, without jeopardizing crucial state services such as those offered by the Department of Revenue. At that time, local officials might have more confidence in a statewide earned income tax collection system. For now, we wish to remain with our Cumberland County Tax Bureau, which is a model of efficiency and accountability.

BOROUGH OF NEWVILLE

Sincerely yours,

A handwritten signature in black ink that reads "Russell L. Gould".

RUSSELL L. GOULD

President of Newville Borough Council

WEST SHORE SCHOOL DISTRICT



Todd B. Stoltz, Ed.D.
Superintendent of Schools

June 20, 2018

To Whom It May Concern:

Please consider this letter as notice of my opposition to HR 291. The West Shore School District has benefited greatly from the success of Act 32 and as a member of the Cumberland County Tax Bureau. The CCTB collection costs are extremely low.

We receive efficient and accurate distributions of our earned income taxes and would be concerned of a state-wide collection and distribution system. Accuracy, knowledge, local presence, communication and transparency are all provided by the Bureau. With this significant part of our school district budget, we look for the correct splits between the district and municipalities of the earned income tax, the correct transfers at the annual reconciliation of the individual tax return filing, the accuracy and efficiency of employer filings as all these go into the process in a seamless fashion.

The leadership at the Cumberland County Tax Bureau is unsurpassed in quality and expertise. They have created cost saving efficiencies under Act 32 which have been proven by our very low collection cost.

It is my opinion that EIT collection should be at the local level.

Please contact me at 717.938.9577 if you require additional information.

Sincerely,

Melinda L. Stuck

Director of Business Affairs

507 Fishing Creek Road, P. O. Box 803, New Cumberland, Pennsylvania 17070-0803

District Office, 507 Fishing Creek Road, Lewisberry, Pennsylvania 17339-9517

Phone 717-938-9577

Fax 717-938-2779

www.wssd.k12.pa.us

An equal opportunity employer

**Montgomery County Tax Collection Committee
Earned Income Tax Revenue/Commissions Analysis**

	2011	2012	2013	2014	2015	2016	2017	Cumulative Totals
Annual EIT Receipts	\$ 202,923,722	\$ 216,306,987	\$ 261,818,606	\$ 265,855,767	\$ 266,553,736	\$ 272,345,000	\$ 279,698,249	Increase in Receipts
Increase in Receipts from base year - 2011	-	13,383,265	58,894,884	62,932,045	63,630,014	69,421,278	76,774,527	\$ 345,036,013
Commissions at Pre-Act 32 Rates (avg 2.5%)	5,073,093	5,407,675	6,545,465	6,646,394	6,663,843	6,808,625	6,992,456	Savings in
Commissions at Act 32 Consolidated Rates	5,073,093	3,006,667	3,639,279	3,695,395	3,465,199	3,540,485	3,636,077	Commission Fees
Commission Savings after 2011	\$ -	\$ 2,401,008	\$ 2,906,187	\$ 2,950,999	\$ 3,198,645	\$ 3,268,140	\$ 3,356,379	\$ 18,081,357

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

AUGUST "SKIP" MEMMI – CHAIRPERSON
KAREN MCCONNELL – VICE CHAIRPERSON
KAYE THOMA – SECRETARY

September 5, 2018

The Honorable Mike Tobash
Williamstown District Office
Borough Building
200 S. West Street
Williamstown, PA 17098

**RE: Act 32 (Consolidated Collection of Local Income Taxation);
Department of Revenue Study Investigating the Feasibility of
Replacing County-Wide EIT Collections with a State-Wide
Collection Method**

Dear Representative Tobash:

I write to you in my capacity as Chairman of the Dauphin County Tax Collection Committee (TCC).

As you are aware, Act 32 of 2008 consolidated the collection of local earned income tax on a county-wide basis. Except for the Counties of Allegheny and Philadelphia,¹ each county in the Commonwealth has been established as a tax collection district and, in the words of Act 32, "each tax collection district shall be governed by a tax collection committee." The tax collection committee, among other matters, has the duty to appoint and oversee a tax officer (i.e., a tax collector) for purposes of collecting income taxes.

Under Act 32, a few tax collection committees implemented county-wide collections in 2011. However, most tax collection committees – the Dauphin County TCC among them – used 2011 as an additional year of preparation and organization,² and commenced county-wide collections on January 1, 2012.

Seven years on, the Dauphin County TCC is well pleased with Act 32. Each year, the taxing authorities (i.e., the political subdivisions within the tax collection district – cities, boroughs, townships and school districts) have received more taxes than the year before. For tax year 2017, the 52 taxing authorities within the Dauphin County Tax Collection District received a record high \$107,783,987.00.

¹ Act 32 divides Allegheny County, county of the second class, into four (4) tax collection districts. Philadelphia County is exempt from Act 32.

² Per Act 32, the Dauphin County TCC first organized in the fall of 2009. Its first full year of operations was 2010.

4075 LINGLESTOWN ROAD, PMB#349 – HARRISBURG, PA 17112

Moreover, since 2012, no taxing authority within the Dauphin County TCC has been forced to await its money from the appointed collector. Under Act 32, income tax received from taxpayers must be distributed within thirty (30) days of receipt. Our appointed collector consistently exceeds this requirement by distributing taxes on a weekly or bi-weekly basis.

We at the Dauphin County TCC have absolutely no reason to believe that our experience is unique. The Legislative Budget & Finance Committee (LB&FC) released its evaluation of Act 32 in October of 2016.³ According to LB&FC, “Act 32 has increased EIT collections by about \$173 million annually since 2012, the first year of full implementation.” (See LB&FC’s Act 32 Summary and Recommendations at S-1.) Moreover, LB&FC reports that many of the groups and individuals it contacted during its study recommended that Act 32 be used “as a model to modernize the collection of other local taxes, such as property taxes, local service taxes, and business privilege taxes.” (Id.)

Nonetheless, last March, the House of Representatives overwhelmingly adopted (188-0) House Resolution No. 291, which directs the Department of Revenue “**to investigate the feasibility and potential cost savings associated with the replacement of local earned income tax collection methods by local taxing committees with a statewide collection method domiciled in the Department of Revenue.**” (Emphasis added.) The recitals to House Resolution No. 291 contain this sweeping, unsupported declaration: “Inefficiencies continue to plague the local tax collection process to the detriment of school districts and municipalities.”

Bottom line: per House Resolution No. 291, the Department of Revenue is to “furnish a report of its findings and recommendations * * * to the chairperson and minority chairperson of the Finance Committee of the Senate and the chairperson and minority chairperson of the Finance Committee of the House of Representatives.” The report is to be completed and submitted by December 31, 2018. Before completing its report, the Department is to seek and obtain “input from counties, municipalities and school districts in this Commonwealth.”

Upon information and belief, the Department of Revenue has not made any meaningful attempt to obtain such input. Instead, the Department appears to be proceeding in stealth to prepare its report which, as indicated, is due by year-end.

Along with four other members of the Dauphin County legislative delegation, you voted for House Resolution No. 291. Respectfully, the Dauphin County TCC wishes to know why you cast such a vote. Certainly, contrary to House Resolution No. 291, our school districts and municipalities have not experienced “inefficiencies [that] continue to plague the local tax collection process.”

Therefore, on behalf of the entire Dauphin County TCC – all 52 political subdivisions – I wish to invite you to the next meeting of the Dauphin County TCC which will be held on **Wednesday, September 19, 2018**. The meeting will be held at the Middle Paxton Township

³LB&FC is a joint committee of the Pennsylvania General Assembly.

Municipal Building, 10 Elizabeth Avenue, Dauphin, and it will begin promptly at **6:30 P.M.** At this meeting, we wish to offer to you the “input” that the Department of Revenue has not sought from us or, to the best of our knowledge, other TCCs.

In attendance will be delegates from all the taxing authorities which comprise our TCC, as well as representatives of our appointed tax collector. From Pa. House District No. 125, TCC delegates will represent Berrysburg Borough, Elizabethville Borough, Gratz Borough, Lykens Borough, Lykens Township, Mifflin Township, Pillow Borough, Washington Township, Wiconisco Township, Williams Township and Williamstown Borough.

We at the Dauphin County TCC take our Act 32 duties with seriousness of purpose. In January of 2017, we issued our own report on the effectiveness of Act 32. A copy of that report, without exhibits, is enclosed for your review.

Thank you for your attention to this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Aug", followed by a long, sweeping horizontal flourish that extends to the right.

August “Skip” Memmi, Chairman

AM/db

Enclosure



**DAUPHIN COUNTY
TAX COLLECTION
COMMITTEE**

ACT 32 REPORT



We, the Dauphin County TCC, wish to thank our solicitor, Guy P. Beneventano, Esq., for his efforts on this report. Since our initial organization in 2010, the TCC has relied upon his steady guidance as we have sought to fulfill our many duties under Act 32.

Introduction

On July 2, 2008 then Governor Ed Rendell signed Act 32 into law,¹ thereby approving the consolidated collection of local income taxes in the Commonwealth of Pennsylvania. In doing so, Governor Rendell brought to a close a public policy debate that began in earnest in 2004 when the Pennsylvania Department of Community and Economic Development (hereafter, DCED) released its long awaited study on earned income tax collection.²

In its 2004 study, DCED called the local tax collection system “fragmented and dysfunctional.”³ As DCED took pains to explain:

* * * **Earned income tax collection**, which involves the collection and distribution of almost \$1.7 billion annually for almost 2,900 municipalities and school districts, **is not working efficiently or fairly**. (Emphasis added.)

The current system suffers from a lack of cooperation among its approximately 560 tax collectors and is fraught with disputes, inconsistencies and bureaucracy. **Underlying the problem is an ambiguous law and a lack of enforcement or oversight of the system**. Collection is complex, uncoordinated and inefficient.
* * *⁴

As DCED reported, the chronic inefficiency and lack of oversight had led to a system which year in, year out failed to collect at least \$100 million otherwise due and payable annually to municipalities and school districts across the Commonwealth.⁵ For many local observers, the administrative burden and revenue losses under Act 511 had simply grown intolerable.

Therefore, to rectify the situation, DCED recommended “* * * two options: (1) (s)tate collection of the local earned income tax; or (2) (r)eform of the current system of collecting the

¹ Act of July 2, 2008, P.L. 197, No. 32, §23, 53 P.S. §6924.501 et seq., hereafter referred to as Act 32.

² Pennsylvania Department of Community and Economic Development, Pennsylvania’s Earned Income Tax Collection System: An Analysis with Recommendations, August 2004.

³ Id., 1.

⁴ Id.

⁵ Id.

earned income tax * * *.”⁶ By “state collection,” DCED meant using the Department of Revenue to collect local EIT.⁷ By “reform of the current system,” DCED principally meant the consolidation of local EIT tax collections on a county-wide basis coupled with the requirement that the employer withhold both resident and non-resident taxes, with the twist that tax remittance must be made “to the jurisdiction where the employees’ workplace is located.”⁸

By and large, Act 32 represents a triumph of the reform recommended by DCED in 2004. The Commonwealth’s many political subdivisions now have county-wide collections undertaken by a **tax officer** who is “appointed and overseen” by a tax collection committee comprised of delegates, themselves appointed by the governing bodies of each political subdivision within the tax collection district, with such district being “coterminous with the geographic boundaries of the county in which it is created.”⁹

Recently, the Legislative Budget and Finance Committee (hereafter, LB&FC) completed and released its “audit and evaluation” of Act 32, a task it was specifically given by Act 32 itself.¹⁰ According to LB&FC, “* * * Act 32 has increased EIT collections by about \$173

⁶ Id., 29.

⁷ Id.

⁸ Id., 30-38. Act 32 places the duty to “withhold” squarely on the shoulders of the employer. In pertinent part, section 512(3) of Act 32 provides that: “**Every employer** having an office * * * within a tax collection district that employs one or more persons * * * for * * * compensation, **shall**, at the time of payment, **deduct from the compensation due each employee** employed at such place of business **the greater of the employee’s resident tax or the employees’ non-resident tax** as released in the official register under section 511.” (Emphasis added.) In other words, at the time of payment of compensation, employers must withhold the greater of the employee’s resident tax, where they live, or non-resident tax, where they work, all as released by DCED in the official register. That’s the law; there is no discretion on the employer’s part.

⁹ See Act 32, §§504(a), 505(a.1)(2), and 505(b)(1), 53 P.S. §§6924.504(a), 6924.505(a.1)(2), and 6924.505(b)(1). We note that Act 32 has divided Allegheny County into four tax collection districts. See 53 P.S. §6924.504(b).

¹⁰ LB&FC is a joint committee of the Pennsylvania General Assembly. See Act 32, §517(a)(1)-(14), 53 P.S. §6924.517(a)(1)-(14), for the various determinations and recommendations LB&FC was charged to make in its evaluation of the first five years of Act 32.

million annually since 2012, the first year of full implementation.¹¹ This finding is higher than, but consistent with, DCED's estimate of a decade ago. (See n.5, supra.) Moreover, LB&FC reports that many of the groups and individuals it contacted during its study recommended that Act 32 be used “* * * as a model to modernize the collection of other local taxes, such as property taxes, local service taxes, and business privilege taxes.”¹²

The Dauphin County Tax Collection Committee (hereafter, TCC) has completed five full years of county-wide EIT collections. First-hand, we the delegates of the Dauphin County TCC have experienced the improved coordination and efficiency promised when Act 32 became law. In large part, this is due to the skill and dedication of our appointed tax collector, Keystone Collections Group of Irwin, Pennsylvania. However, the marked improvement in collections is also due to the persistent oversight of the tax collector which the Dauphin County TCC has carried out since day one of county-wide collections.

Now that LB&FC has weighed in with its thoughts, we wish to add our voice to the small chorus that from time to time sings of Act 32.¹³ To some extent, this report is an extension of our efforts of nearly two years ago when, in May of 2015, the Dauphin County TCC originated, organized and hosted a symposium on Act 32. At that time, we brought together a cross section of tax collection committee delegates, collectors and other stakeholders to discuss such topical issues as oversight of the tax collector, DCED's suggested audit procedures, and the feasibility of further consolidation of local tax collections.

¹¹ Legislative Budget & Finance Committee, The Impact of Act 32 on the Collection of Local Earned Income Taxes, October 2016 (hereafter, LB&FC Audit), S-1. The report is available online at: <http://lbfc.legis.state.pa.us/Resources/Documents/Reports/568.pdf>.

¹² Id.

¹³ The chorus must certainly include DCED and the Pennsylvania General Assembly which is likely at some point to seriously consider amendments to Act 32, but it also includes influential groups such as the Pennsylvania State Association of Township Supervisors and the Pennsylvania Institute of Certified Public Accountants. The Dauphin County TCC has interacted with both groups on Act 32 matters.

With this, our most recent effort, we wish to focus on the issue of oversight with the hope that other committees may benefit from our experience as they seek ways to effectively oversee their appointed collectors. We also wish to share with others some observations of our collector who has truly made a science out of what had been the art of local EIT collection. (See **Exhibit A** hereto.)

In giving voice to these heartfelt thoughts and observations, we do not presume to tell other committees what to do. Instead, much as we sought to do at the 2015 symposium, we wish only to cultivate a dialogue on best practices so that all tax collection committees have an opportunity to learn from each other.

The Tax Collection Committee: Overseer of Local EIT Collections

According to DCED, the lack of oversight of tax collections was a major cause of the widespread inefficiency and dysfunction under Act 511.¹⁴ Thus, it came as no great surprise when Act 32 imbued tax collection committees with the specific duty “[t]o appoint and **oversee a tax officer** for the tax collection district.”¹⁵ (Emphasis added.) See Act 32, §505(a.1)(2), 53 P.S. §6924.505(a.1)(2). To oversee is to watch over; to subject to scrutiny.¹⁶ Hence, without question, all tax collection committees have the statutory duty (i.e., obligation) to inspect the appointed collectors.

¹⁴ See n. 4, supra.

¹⁵ Act 32 insists upon calling tax collectors tax “officers.” (See 53 P.S. §6924.501 where “tax officer” is defined as “a political subdivision, public employee, tax bureau, county, * * * or private agency which administers and collects income taxes for one or more tax collection districts.”) While we suppose that the bonding requirements for tax officers alone connote the authority or trust with which such “officers” are statutorily imbued, we will nonetheless refer to them throughout this report as “tax collectors,” their usual moniker.

¹⁶ The American Heritage Dictionary of the English Language, Third Edition. (Boston: Houghton Mifflin Company, 1992), 1292.

How is this obligation best accomplished? How should a committee watch its collector without interfering with the sometimes cumbersome, often challenging and frequently mundane work of tax collection?

To begin with, a tax collection committee cannot oversee the work of the tax collector if it fails to regularly meet.¹⁷ No delegate to the Dauphin County TCC wishes to return to the early days of 2010 when we met monthly, often for hours at a time, in order to accomplish the critically important work of adopting bylaws, drafting a request for proposals for tax collection services, selecting a tax collector, and then finally negotiating and executing a contract with the appointed tax collector. However, given the disparity of expertise between the appointed collector and the committee charged with the duty to make the appointment, no tax collection committee can conceivably “watch” the work of the collector in any meaningful way if it meets only sporadically or simply when the tax collector seeks a renewal of its contract with the committee.¹⁸

Since 2012,¹⁹ the Dauphin County TCC has met regularly 5-6 times per year to review the work of our collector and do other business required of the committee. Usually, our collector attends the committee meetings and makes a presentation on the status of tax collections. Any delegate present at the meeting is then free to question the appointed collector about any facet of collections, regardless of whether the questions directly involve his or her respective political subdivision. This way, we have developed a mechanism to enable each of the fifty-two (52)

¹⁷ Act 32 makes no mention of how frequently tax collection committees should meet. Instead, following its recitation of how the first meeting of the committee is to be handled, Act 32 simply states: “**The chairperson shall schedule meetings, set the agenda, conduct meetings, record votes and perform other duties as determined by the tax collection committee.**” (Emphasis added.) 53 P.S. §6924.505(e).

¹⁸ Note: According to the LB&FC report, **over 40% of the tax collection committees responding to its survey met only 1 or 2 times throughout all of 2015.** (See LB&FC Audit at page 23.)

¹⁹ The political subdivisions comprising the Dauphin County Tax Collection District did not opt for early implementation under Act 32, §515(b), 53 P.S. § 6924.515(b). Therefore, in Dauphin County, the first year of county-wide EIT collections was 2012.

political subdivisions within the Dauphin County Tax Collection District to keep watch on the tax collector through the delegates – both voting and alternate – they appoint to the Dauphin County TCC.

From its inception, the Dauphin County TCC has had almost no difficulty in establishing a quorum for purposes of doing official business.²⁰ We directly attribute our success at consistently establishing quorums to the following: (1) the bylaws expressly recognize the fact that appointed delegates may represent more than one political subdivision; and (2) except for the appointment of the tax collector, we have eliminated the weighted vote requirement which so favors the most populated and affluent municipalities and school districts. Both points warrant some discussion.

First, the Bylaws of the Dauphin County Tax Collection Committee specifically provide that, “[f]or purposes of calculating quorum, a delegate representing more than one taxing authority shall represent an amount in correlation to the number of taxing authorities the delegate represents.”²¹ Translation: if you have been appointed the voting delegate of, say, six separate political subdivisions within the Dauphin County Tax Collection District, then, your presence at a TCC meeting effectively constitutes the presence of all six political subdivisions.

Time and again, the Dauphin County TCC has established a quorum through the dedicated efforts of two esteemed delegates who, between them, represent fourteen different

²⁰ Act §505(b.1), 53 P.S. §6924.505(b.1), states that “[u]nless otherwise provided for in the bylaws of a tax collection committee, a majority of the delegates of a tax collection committee * * * constitutes a quorum.” The bylaws of the Dauphin County TCC are consistent with the statute in that we require “the presence of a majority of the voting delegates of the TCC * * *.” (See Art. I, Section 4 of the Bylaws of the Dauphin County Tax Collection Committee, a complete copy of which is available online at <http://www.dauphincounty.org/government/Property-and-Taxes/Act-32.>)

²¹ Id.

political subdivisions.²² There is nothing at all untoward about such a practice.²³ In fact, for tax collection districts as geographically large as Dauphin County, our practice may well be the only effective means of consistently establishing quorums at tax collection committee meetings. We therefore recommend that all committees encourage such a practice.

Secondly, the weighted vote requirement found at Act 32, §505(c)(2) is an almost sure-fire way to discourage (if not prevent) the establishment of a quorum on any kind of regular basis.²⁴ Why on earth would a voting delegate from a small – in terms of population or tax revenue collected – political subdivision take the time to attend a TCC meeting if the weighted vote will carry the day on everything from the appointment of the tax collector to the purchase of a box of pencils. Most delegates in such circumstances will not attend because for all practical purposes they have no voice in how the tax collection committee is governed.

This is why, from the get go, the Dauphin County TCC addressed the problem by dropping the weighted voted for all things save the appointment of the collector. We did this by adopting a bylaw which states:

Except for the appointment of a tax officer, all actions by the [TCC] shall be by majority vote of those delegates present,

²² The two delegates are Kaye Thoma and Gary Shade. Ms. Thoma, who also serves as Secretary of the Dauphin County TCC, is the appointed voting delegate for Upper Dauphin Area School District, Jefferson Township, Pillow Borough, Washington Township, Berrysburg Borough, Elizabethville Borough, Gratz Borough, Mifflin Township and Lykens Township. Mr. Shade, who also serves as Chairman of the TCC's audit subcommittee, is the appointed voting delegate for Halifax Area School District, Halifax Township, Halifax Borough, Jackson Township and Wayne Township.

²³ Act 32, §505(b), 53 P.S. §6924.505(b), simply states: "The governing body of each political subdivision within a tax collection district * * * shall appoint one voting delegate and one or more alternates to represent the political subdivision on the tax collection committee * * *." Act 32 then adds: "A voting delegate or alternate shall serve at the pleasure of the governing body of the political subdivision." *Id.* **No where is it required that the voting delegate (or alternate) be a resident of the political subdivision for which the appointment is made.**

²⁴ In pertinent part, the voting rights section of Act 32's discussion of tax collection committees reads as follows: "* * * [A]ctions of the tax collection committee shall be determined by a majority vote of those delegates present. Votes shall be weighted among the governing bodies of the member political subdivisions according to the following formula: 50% shall be allocated according to the proportional population of each political subdivision in proportion to the population of each tax collection district * * * and 50% shall be weighted in direct proportion to income tax revenues collected in each political subdivision * * *. * * * [V]otes shall be taken in accordance with this paragraph **unless the bylaws provide otherwise.**" (Emphasis added.) 53 P.S. §6924.505(c)(2).

provided a quorum is present at the time of voting. In counting delegate votes, each delegate shall have one equally weighted vote for each taxing authority the delegate represents. **With respect to the appointment of a tax officer**, all actions taken by the [TCC] shall be by majority of the weighted vote of those delegates present, provided a quorum is present at the time of voting. * * * (Emphasis included.)

(See Bylaws of Dauphin County TCC at Art. I, Section 3, available online at <http://www.dauphincounty.org/government/Property-and-Taxes/Act-32>.)

By removing the weighted vote impediment, we have actively sought to encourage the participation of all political subdivisions comprising the Dauphin County Tax Collection District, while safeguarding the voting rights of the large political subdivisions on one of the most important decisions a tax collection committee must make (i.e., the decision to appoint the collector). We encourage all other committees to do the same.

After appointment of the tax collector, the tax collection committee is charged with the duty to enter into a written agreement with the tax collector.²⁵ As Act 32 emphasizes, “[t]he agreement shall be approved by the committee by resolution.” 53 P.S. § 6924.507(d). Thus, the negotiation, execution and administration of the contract for tax collection services are clearly important aspects of the committee’s overall “oversight” duties. So are the duties given to the committee “[t]o require, hold, set and review the tax officer’s bond * * *.” 53 P.S. §6924.505(a.1)(4).

²⁵ Strictly speaking, Act 32 envisions the appointment of the collector and the approval of the contract taking place coterminously. (“* * * [A]ll appointments of a tax officer shall be made pursuant to a written agreement between the tax officer and the tax collection committee.” 53 P.S. §6924.507(d)). Nonetheless, the interplay between that requirement and the specific appointment provision at Section 507 (“* * * [E]ach tax collection committee shall appoint a tax officer by resolution and shall notify the [D]epartment [of Community and Economic Development] of the appointment * * *.” 53 P.S. §6924.507(a).) resulted in most committees doing what we did; namely, first we adopted a resolution appointing the collector and then, following negotiations of the terms and conditions, we adopted a resolution approving the written agreement.

Nonetheless, few of the tools given to committees under Act 32 rival in importance the one concerning the annual audit of received and disbursed taxes. Specifically, under section 505(h)(1):

By the end of each calendar year, **the tax collection committee shall provide for at least one examination for each calendar year of the books, accounts, financial statements, compliance reports and records of the tax officer by a certified public accountant or public accountant approved by the tax collection committee.** The examination shall include an audit of all the records relating to the cash basis receipt and disbursement of all public money by the tax officer, a reconciliation of the monthly reports required by section 509(b),²⁶ an analysis of the bond amount [required of the collector, as set by the committee] * * * and an analysis of the collection fees charged to the tax collection committee. * * * **The examination shall be conducted according to generally accepted governmental auditing standards.** (Emphasis and footnote added.)

53 P.S. §6924.505(h)(1).

In February of 2013, DCED publicly released a report on suggested audit procedures for tax collection committees.²⁷ DCED went to the effort to produce the report largely in recognition that committees require guidance to make proper use of the annual audits. That's fine, and we heartily commend DCED's Suggested Audit Procedures to all committees that heretofore have not reviewed the document.

However, audits are not easy reading. Not all appointed committee delegates have the background or inclination necessary for a proper review of the annual audit of the tax collector

²⁶ In pertinent part, section 509(b) states: "The tax officer shall, within 20 days after the end of each month, provide a written report * * * to * * * the tax collection committee * * *. The report shall include a breakdown of all income taxes, income generated from investments * * *, penalties, costs and other money received, collected, expended and distributed for each political subdivision served by the tax officer and all money distributed to tax officers for other tax collection districts." 53 P.S. §6924.509(b).

²⁷ Pennsylvania Department of Community and Economic Development, Suggested Audit Procedures, First Edition, February 2013. As an aside, Act 32 authorizes DCED, "* * * in consultation with the Department of Revenue, * * * [to] prescribe standardized forms, reports, notices, returns and schedules and [it] shall promulgate regulations as necessary to carry out the provisions of this act." 53 P.S. §6924.508(a).

even though a proper review of such audits is absolutely critical to effective oversight of the collector.

Therefore, almost from its inception, the Dauphin County TCC has followed “Sarbanes-Oxley best practices” by designating a select group of delegates to serve as the TCC’s “audit” subcommittee.²⁸ This means that we have a cadre of delegates, at least one of whom is a “financial expert” for S-Ox purposes,²⁹ who dedicate themselves to working with the appointed auditor and scrutinizing the annual report issued by the auditor, including the auditor’s opinion letter.³⁰ The audit subcommittee then presents the auditor’s report to the full TCC at the next regular meeting following receipt of the audit and report. This way, proper attention is given by the Dauphin County TCC to one of the most important documents it receives during any given calendar year.

The Dauphin County TCC’s subcommittee structure is framed in our bylaws.³¹

Basically, each January, the TCC votes to designate an audit subcommittee,³² with the TCC

²⁸ At this point, countless forests have been sacrificed to explicate, in writing, the significance and consequence of the American Competitiveness and Corporate Accountability Act of 2002, commonly referred to as the Sarbanes-Oxley Act or S-Ox, passed by Congress in reaction to a profound wave of corporate and accounting scandals such as Enron. We do not wish to participate in that sacrifice other than to say that two instructive articles on S-Ox best practices for nonprofit organization and others are: (1) Philoan M. Tran, “A Sarbanes-Oxley Act For Non Profits?,” *The Practical Lawyer* (October 2005): 47-53; and (2) Board Source and Independent Sector, *The Sarbanes-Oxley Act and Implications for Nonprofit Organizations*, 2003.

²⁹ A certified public accountant is deemed a “financial expert” for S-Ox purposes.

³⁰ Act 32 specifically provides that “[t]he certified public accountant * * * shall issue a report * * * to the tax collection committee, which shall include an auditor’s opinion letter, a financial statement, a reconciliation of the monthly reports * * * [sent to the committee by the collector] with the receipts and disbursements, a summary of collection fees charged to the tax collection committee, a report on the tax officer’s compliance with this act, a list of any findings of noncompliance with this act and a copy of a management letter if one is issued by the auditor.” 53 P.S. §6924.505(h).

³¹ Article IV, Section 1 states: “The [TCC] * * * may designate [sub]committees as needed. The members of such [sub]committees shall be appointed by the [TCC] Chairperson, subject to the approval of the * * * [TCC].”

³² Historically, the TCC has also designated subcommittees on risk management and finance. There is also an Executive Committee which “* * * shall meet as necessary in order to transect the business of the TCD between meetings of the TCC * * *.” (See Bylaws at Article IV, Section 6.) **The purpose of the Executive Committee is to ensure continuous oversight of the collector, although “[a]ny official action taken by the Executive Committee shall be subject to ratification of the * * * [TCC] at the next meeting of the TCC following such action.”** Id.

Chairman then appointing the membership, as approved by the TCC. Since inception, the audit subcommittee has been chaired by Gary Shade,³³ a voting delegate who is a respected CPA. Under Mr. Shade's leadership, the audit subcommittee views its work as sufficiently important to warrant its own charter, a copy of which is attached hereto at **Exhibit B**.

We certainly do not suggest that all tax collection committees should organize themselves in our image. However, given the importance of the audit to the committee's oversight duties, we strongly recommend that each tax collection committee designate an audit subcommittee comprised of at least one person with financial expertise.³⁴ For those who have not done so in the past but wish to do so in the future, we commend you to the website of the National Council of Nonprofit Associations (NCNA).³⁵ It has available online a variety of information about audit committees, including an activity checklist with a summary of its role and responsibilities in the nonprofit sector. The NCNA information can be readily used and modified to suit the needs of tax collection committees.³⁶

Our Tax Collector's Perspective

The Dauphin County TCC has a mutually beneficial working relationship with its appointed tax collector, Keystone Collections Group. Keystone representatives regularly attend our TCC meetings, and it has consistently and faithfully responded to the committee's questions and requests for information as we have sought to fulfill our oversight duties.

Keystone has prepared its own analysis of Act 32, as implemented in the Dauphin County Tax Collection District. We attach the Keystone analysis as **Exhibit A** to this report.

³³ Cp. n. 22, supra.

³⁴ According to LB&FC, **only 30% of the tax collection committees responding to its survey have audit subcommittees.** (See LB&FC Audit at page 28.)

³⁵ <https://www.councilofnonprofits.org>

³⁶ Under Act 32, DCED provided sample bylaws at the outset of county-wide collections. See 53 P.S. §6924.505(f). We have modified those model bylaws to suit our needs. Other committees are free to do the same.

Keystone’s analysis summarizes the important fieldwork it did in Dauphin County during the run-up to county-wide EIT collections, and it highlights the revenue increases achieved under Act 32. Keystone also emphasizes (rightly in our opinion) the sophistication of its technology,³⁷ plus the ease with which taxpayers can electronically file their annual tax returns. We do not wish to repeat what Keystone has already said. Nonetheless, we do wish to emphasize the importance of the “internal controls” audit that Keystone voluntarily undertakes at its own cost.

Previously, we addressed the importance of the annual audit required of all appointed tax collectors under Act 32, Section 505(h).³⁸ That audit – referred to in the trade as a **Yellow Book** audit – is an “external” audit conducted by a CPA. As Keystone explains in its report:

The **Yellow Book** audit tests the financial reporting and tests compliance with the laws, regulations, contracts and agreements that contribute to the evidence supporting the opinion on the final statement. (Emphasis included.)

(See **Exhibit A** hereto at page 8.)

But there is another type of audit – in many ways, a more important audit – that is not required by Act 32. We speak of an “internal controls” audit – currently referred to in the trade as a “SOC-1, Type 2” audit – which assesses how well a firm safeguards revenues, costs, activities and assets within its control. This type of audit is both time-consuming and expensive, and under S-Ox it is now required of most corporations whose stock is publicly owned and traded.³⁹

³⁷ Under Act 32, DCED was required to prepare a “best practices” manual “* * * including * * * requests for proposals for the procurement of software systems and other critical systems and other appropriate samples.” 53 P.S. §6924.508(d)(2). That 2009 manual, no longer available online, had much to say about the importance of information technology (IT) in the world of local EIT collections. In our opinion, Keystone’s IT exceeds anything that DCED was contemplating when it released its manual on best practices. Unfortunately, DCED has not produced a new edition of such a manual even though it has the necessary powers to do so under Act 32. (See, e.g., 53 P.S. §6924.508(a) and (f).)

³⁸ See discussion at pages 8-10, *supra*.

³⁹ See n. 28, *supra*. See also LB&FC Audit at page 18 which states: “A Type II report builds on the information contained in a Type I report by more extensive testing of the controls that were in place over a specified period of

An internal controls audit is not, however, required of appointed local EIT tax collectors.

In our opinion, this is a woeful deficiency in the present Act 32 structure. As Keystone explains in its analysis:

Speed, efficiency and transparency are insufficient without accountability. Accountability is possible only through the outside audits of the Tax Officer's service organization controls.

* * *

The SOC-1, Type 2 audit examines the suitability of the design and operating effectiveness of the Dauphin TCC's Tax Officer's controls. In the audit, the Tax Officer provides the outside auditors with descriptions of its operating systems and the controls necessary to ensure the systems operate effectively and that the necessary controls are in place to ensure the integrity of the systems to comply with Act 32 standards, protect the privacy of taxpayers, and recover data in case of a catastrophic event.

* * *

Act 32 consolidation and standardization has brought great efficiencies to local tax collection and distribution. **Mandating SOC-1, Type 2 audits is the next logical step in Act 32 standardization that would improve transparency, accountability and oversight of local tax collection.** (Emphasis added.)

(See **Exhibit A** hereto at page 8.)

Therefore, the Dauphin County TCC joins Keystone in its recommendation that all appointed tax collectors under Act 32 be required to regularly undergo SOC-1, Type 2 audits.⁴⁰ If DCED fails to promulgate such regulations,⁴¹ then, tax collection committees across the state

time (no less than 6 months). * * * **Because testing the effectiveness of the controls over an extended test period provides much more insight and overall assurances of a service organization's control environment, a Type II report is seen as the much more credible report.**" (Emphasis added.)

⁴⁰ Right now, without further legislation, DCED has the necessary power to require such audits by promulgating regulations to that effect. (See 53 P.S. §6924.508(f)(2) which specifically states: "The department shall, by regulation, establish the qualifications and requirements a tax officer must meet prior to being appointed and must meet for continuing appointment.")

⁴¹ See n. 40, supra.

should take matters in their own hands by requiring collectors, by contract, to undergo such internal controls audits. After all, under Act 32, every tax collection committee already has the express power to do so.⁴²

Our collector has passed its internal controls audit **without exception** the past four years running. As we endeavor to oversee Keystone's many actions on our behalf, nothing gives us greater confidence in its skill and competence than its internal controls audit. Other committees should position themselves for the same assurance.

Conclusion

Act 32 has rather effectively remedied the fragmentation and dysfunction of the old tax collection system.⁴³ In large part, Act 32 has sought to do so by placing the oversight function, virtually absent from the old system,⁴⁴ squarely on the backs of the tax collection committees. Therefore, from here on out, DCED and the Pennsylvania General Assembly should take pains to make sure that the committees have the necessary tools to undertake effective oversight.

For the reasons herein stated, the Dauphin County TCC respectfully recommends that DCED promulgate necessary regulations requiring all tax collectors appointed under Act 32 to undergo formal SOC-1, Type 2 audits as a condition of their appointments.⁴⁵ Our collector undertakes these strenuous audits annually. We recommend the same frequency for all other collectors.

⁴² See 53 P.S. §6924.508(f)(2) which clearly states: "A tax collection committee may establish additional qualifications and requirements a tax officer must meet prior to being appointed and must meet for continuing appointment."

⁴³ See n. 2, supra.

⁴⁴ See n. 4, supra.

⁴⁵ According to LB&FC, "DCED has * * * proposed regulations [that] would require * * * tax officers undergo an SSAE 16 audit of their internal controls at least once every two years." See LB&FC Audit at page 21. LB&FC adds: "These regulations * * * are currently before the Independent Regulatory Review Commission * * *." Id. (Cp. n. 11, supra.) **Note: An SSAE 16 audit can include a SOC-1, Type 2 audit, but a SSAE 16 audit is not identical to the rigors of a SOC-1, Type 2 audit.**

Next, we recommend that DCED promulgate necessary regulations requiring all tax collection committees to publicly report to DCED on the number of meetings held during each calendar year. We suggest that the most efficacious way of doing so is to require that such information be sent to DCED coterminous with the filing of the annual audit, which by law must take place “on or before September 1.” 53 P.S. §6924.505(h)(2). As we previously observed, “* * * no tax collection committee can conceivably watch the work of the collector in any meaningful way if it meets only sporadically or simply when the tax collector seeks a renewal of its contract with the committee.”⁴⁶ Therefore, as part of such reporting requirements, we also recommend that all certifications of meetings scheduled and held be provided to DCED pursuant to 18 Pa. C.S. §4904, concerning unsworn falsification to authorities. This way, at least theoretically, there will be sanctions against delegates who fail to accurately report on how often (or how infrequently) particular tax collection committees actually meet.

Third, in connection with reporting on the frequency of committee meetings, we strongly recommend that DCED promulgate regulations requiring the establishment of audit subcommittees based on S-Ox best practices. Simply put, no other mechanism will facilitate the necessary and thorough review of the annual tax collector audits, a task we have repeatedly argued is one of the most important oversight functions of a committee. Should some form of internal controls requirement actually emerge from the IRRC process,⁴⁷ a S-Ox-based audit subcommittee will be all the more necessary to explicate to other delegates the nuances and intricacies of internal controls.

⁴⁶ See discussion on page 5, *supra*.

⁴⁷ See n. 45, *supra*.

Fourth, given the importance of the written contract between the committees and the appointed collectors,⁴⁸ more effort should be made to make such contracts readily available for public inspection. Yes, all such contracts are subject to disclosure under the Right-to-Know Law,⁴⁹ but why force interested delegates to jump through that hoop each time they are, for example, attempting to compare and contrast tax collector compensation.⁵⁰ Therefore, we recommend that DCED require, by regulation, the public filing of all section 407(d) contracts, plus amendments thereto. And, as part of this recommendation, DCED should establish and maintain an online registry of all such public contracts, something it can readily accomplish by administrative fiat.

Fifth, we recommend that all tax collection committees use their bylaws to recognize the fact that appointed delegates may represent more than one political subdivision.⁵¹ It's a proven method for helping those committees who wish to regularly meet to do business, but are prevented from doing so by a lack of a quorum.

Sixth, we recommend that all committees that have yet to do so promptly eliminate the weighted vote for most matters of committee business. For the reasons stated herein, unless modified, the weighted vote requirement will almost certainly discourage many delegates from participating in committee business.

Finally, LB&FC has specifically noted that many have expressed interest in using Act 32 as a model for the collection of other taxes, such as real estate taxes. In 2011, LB&FC published

⁴⁸ See n. 24, *supra*.

⁴⁹ Accord 53 P.S. §6924.505(i)(1).

⁵⁰ Respectfully, we do not believe that LB&FC goes far enough when it states: "We recommend DCED post, at a minimum, information on the amount, and as a percentage of collections, tax collectors are charging each TCC to collect the EIT for that tax collection district." (See LB&FC Audit at page S-3.)

⁵¹ See discussion at pages 5-6, *supra*.

a report on Pennsylvania's system of real estate tax collection.⁵² In light of the interest recently expressed to LB&FC, we recommend that it undertake an update of its earlier work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Aug", with a long, sweeping horizontal stroke extending to the right.

August "Skip" Memmi
Chairman, Dauphin County TCC

⁵² Legislative Budget & Finance Committee, Pennsylvania's Current Real Property Tax Collection System, Conducted Pursuant to Senate Resolution 2010-250, June 2011.

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

AUGUST "SKIP" MEMMI – CHAIRPERSON
KAREN MCCONNELL – VICE CHAIRPERSON
KAYE THOMA – SECRETARY

September 5, 2018

The Honorable Mike Tobash
Williamstown District Office
Borough Building
200 S. West Street
Williamstown, PA 17098

**RE: Act 32 (Consolidated Collection of Local Income Taxation);
Department of Revenue Study Investigating the Feasibility of
Replacing County-Wide EIT Collections with a State-Wide
Collection Method**

Dear Representative Tobash:

I write to you in my capacity as Chairman of the Dauphin County Tax Collection Committee (TCC).

As you are aware, Act 32 of 2008 consolidated the collection of local earned income tax on a county-wide basis. Except for the Counties of Allegheny and Philadelphia,¹ each county in the Commonwealth has been established as a tax collection district and, in the words of Act 32, "each tax collection district shall be governed by a tax collection committee." The tax collection committee, among other matters, has the duty to appoint and oversee a tax officer (i.e., a tax collector) for purposes of collecting income taxes.

Under Act 32, a few tax collection committees implemented county-wide collections in 2011. However, most tax collection committees – the Dauphin County TCC among them – used 2011 as an additional year of preparation and organization,² and commenced county-wide collections on January 1, 2012.

Seven years on, the Dauphin County TCC is well pleased with Act 32. Each year, the taxing authorities (i.e., the political subdivisions within the tax collection district – cities, boroughs, townships and school districts) have received more taxes than the year before. For tax year 2017, the 52 taxing authorities within the Dauphin County Tax Collection District received a record high \$107,783,987.00.

¹ Act 32 divides Allegheny County, county of the second class, into four (4) tax collection districts. Philadelphia County is exempt from Act 32.

² Per Act 32, the Dauphin County TCC first organized in the fall of 2009. Its first full year of operations was 2010.

4075 LINGLESTOWN ROAD, PMB#349 – HARRISBURG, PA 17112

Moreover, since 2012, no taxing authority within the Dauphin County TCC has been forced to await its money from the appointed collector. Under Act 32, income tax received from taxpayers must be distributed within thirty (30) days of receipt. Our appointed collector consistently exceeds this requirement by distributing taxes on a weekly or bi-weekly basis.

We at the Dauphin County TCC have absolutely no reason to believe that our experience is unique. The Legislative Budget & Finance Committee (LB&FC) released its evaluation of Act 32 in October of 2016.³ According to LB&FC, “Act 32 has increased EIT collections by about \$173 million annually since 2012, the first year of full implementation.” (See LB&FC’s Act 32 Summary and Recommendations at S-1.) Moreover, LB&FC reports that many of the groups and individuals it contacted during its study recommended that Act 32 be used “as a model to modernize the collection of other local taxes, such as property taxes, local service taxes, and business privilege taxes.” (Id.)

Nonetheless, last March, the House of Representatives overwhelmingly adopted (188-0) House Resolution No. 291, which directs the Department of Revenue “**to investigate the feasibility and potential cost savings associated with the replacement of local earned income tax collection methods by local taxing committees with a statewide collection method domiciled in the Department of Revenue.**” (Emphasis added.) The recitals to House Resolution No. 291 contain this sweeping, unsupported declaration: “Inefficiencies continue to plague the local tax collection process to the detriment of school districts and municipalities.”

Bottom line: per House Resolution No. 291, the Department of Revenue is to “furnish a report of its findings and recommendations * * * to the chairperson and minority chairperson of the Finance Committee of the Senate and the chairperson and minority chairperson of the Finance Committee of the House of Representatives.” The report is to be completed and submitted by December 31, 2018. Before completing its report, the Department is to seek and obtain “input from counties, municipalities and school districts in this Commonwealth.”

Upon information and belief, the Department of Revenue has not made any meaningful attempt to obtain such input. Instead, the Department appears to be proceeding in stealth to prepare its report which, as indicated, is due by year-end.

Along with four other members of the Dauphin County legislative delegation, you voted for House Resolution No. 291. Respectfully, the Dauphin County TCC wishes to know why you cast such a vote. Certainly, contrary to House Resolution No. 291, our school districts and municipalities have not experienced “inefficiencies [that] continue to plague the local tax collection process.”

Therefore, on behalf of the entire Dauphin County TCC – all 52 political subdivisions – I wish to invite you to the next meeting of the Dauphin County TCC which will be held on **Wednesday, September 19, 2018**. The meeting will be held at the Middle Paxton Township

³LB&FC is a joint committee of the Pennsylvania General Assembly.

Municipal Building, 10 Elizabeth Avenue, Dauphin, and it will begin promptly at **6:30 P.M.** At this meeting, we wish to offer to you the “input” that the Department of Revenue has not sought from us or, to the best of our knowledge, other TCCs.

In attendance will be delegates from all the taxing authorities which comprise our TCC, as well as representatives of our appointed tax collector. From Pa. House District No. 125, TCC delegates will represent Berrysburg Borough, Elizabethville Borough, Gratz Borough, Lykens Borough, Lykens Township, Mifflin Township, Pillow Borough, Washington Township, Wiconisco Township, Williams Township and Williamstown Borough.

We at the Dauphin County TCC take our Act 32 duties with seriousness of purpose. In January of 2017, we issued our own report on the effectiveness of Act 32. A copy of that report, without exhibits, is enclosed for your review.

Thank you for your attention to this letter.

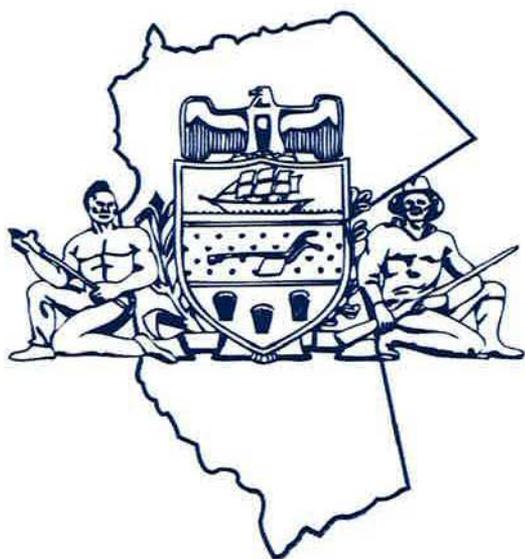
Sincerely,

A handwritten signature in black ink, appearing to read "Aug", followed by a long, sweeping horizontal flourish that extends to the right.

August “Skip” Memmi, Chairman

AM/db

Enclosure



**DAUPHIN COUNTY
TAX COLLECTION
COMMITTEE**

ACT 32 REPORT



We, the Dauphin County TCC, wish to thank our solicitor, Guy P. Beneventano, Esq., for his efforts on this report. Since our initial organization in 2010, the TCC has relied upon his steady guidance as we have sought to fulfill our many duties under Act 32.

Introduction

On July 2, 2008 then Governor Ed Rendell signed Act 32 into law,¹ thereby approving the consolidated collection of local income taxes in the Commonwealth of Pennsylvania. In doing so, Governor Rendell brought to a close a public policy debate that began in earnest in 2004 when the Pennsylvania Department of Community and Economic Development (hereafter, DCED) released its long awaited study on earned income tax collection.²

In its 2004 study, DCED called the local tax collection system “fragmented and dysfunctional.”³ As DCED took pains to explain:

* * * **Earned income tax collection**, which involves the collection and distribution of almost \$1.7 billion annually for almost 2,900 municipalities and school districts, **is not working efficiently or fairly**. (Emphasis added.)

The current system suffers from a lack of cooperation among its approximately 560 tax collectors and is fraught with disputes, inconsistencies and bureaucracy. **Underlying the problem is an ambiguous law and a lack of enforcement or oversight of the system**. Collection is complex, uncoordinated and inefficient.
* * *⁴

As DCED reported, the chronic inefficiency and lack of oversight had led to a system which year in, year out failed to collect at least \$100 million otherwise due and payable annually to municipalities and school districts across the Commonwealth.⁵ For many local observers, the administrative burden and revenue losses under Act 511 had simply grown intolerable.

Therefore, to rectify the situation, DCED recommended “* * * two options: (1) (s)tate collection of the local earned income tax; or (2) (r)eform of the current system of collecting the

¹ Act of July 2, 2008, P.L. 197, No. 32, §23, 53 P.S. §6924.501 et seq., hereafter referred to as Act 32.

² Pennsylvania Department of Community and Economic Development, Pennsylvania’s Earned Income Tax Collection System: An Analysis with Recommendations, August 2004.

³ Id., 1.

⁴ Id.

⁵ Id.

earned income tax * * *.”⁶ By “state collection,” DCED meant using the Department of Revenue to collect local EIT.⁷ By “reform of the current system,” DCED principally meant the consolidation of local EIT tax collections on a county-wide basis coupled with the requirement that the employer withhold both resident and non-resident taxes, with the twist that tax remittance must be made “to the jurisdiction where the employees’ workplace is located.”⁸

By and large, Act 32 represents a triumph of the reform recommended by DCED in 2004. The Commonwealth’s many political subdivisions now have county-wide collections undertaken by a **tax officer** who is “appointed and overseen” by a tax collection committee comprised of delegates, themselves appointed by the governing bodies of each political subdivision within the tax collection district, with such district being “coterminous with the geographic boundaries of the county in which it is created.”⁹

Recently, the Legislative Budget and Finance Committee (hereafter, LB&FC) completed and released its “audit and evaluation” of Act 32, a task it was specifically given by Act 32 itself.¹⁰ According to LB&FC, “* * * Act 32 has increased EIT collections by about \$173

⁶ Id., 29.

⁷ Id.

⁸ Id., 30-38. Act 32 places the duty to “withhold” squarely on the shoulders of the employer. In pertinent part, section 512(3) of Act 32 provides that: “**Every employer** having an office * * * within a tax collection district that employs one or more persons * * * for * * * compensation, **shall**, at the time of payment, **deduct from the compensation due each employee** employed at such place of business **the greater of the employee’s resident tax or the employees’ non-resident tax** as released in the official register under section 511.” (Emphasis added.) In other words, at the time of payment of compensation, employers must withhold the greater of the employee’s resident tax, where they live, or non-resident tax, where they work, all as released by DCED in the official register. That’s the law; there is no discretion on the employer’s part.

⁹ See Act 32, §§504(a), 505(a.1)(2), and 505(b)(1), 53 P.S. §§6924.504(a), 6924.505(a.1)(2), and 6924.505(b)(1). We note that Act 32 has divided Allegheny County into four tax collection districts. See 53 P.S. §6924.504(b).

¹⁰ LB&FC is a joint committee of the Pennsylvania General Assembly. See Act 32, §517(a)(1)-(14), 53 P.S. §6924.517(a)(1)-(14), for the various determinations and recommendations LB&FC was charged to make in its evaluation of the first five years of Act 32.

million annually since 2012, the first year of full implementation.¹¹ This finding is higher than, but consistent with, DCED's estimate of a decade ago. (See n.5, supra.) Moreover, LB&FC reports that many of the groups and individuals it contacted during its study recommended that Act 32 be used “* * * as a model to modernize the collection of other local taxes, such as property taxes, local service taxes, and business privilege taxes.”¹²

The Dauphin County Tax Collection Committee (hereafter, TCC) has completed five full years of county-wide EIT collections. First-hand, we the delegates of the Dauphin County TCC have experienced the improved coordination and efficiency promised when Act 32 became law. In large part, this is due to the skill and dedication of our appointed tax collector, Keystone Collections Group of Irwin, Pennsylvania. However, the marked improvement in collections is also due to the persistent oversight of the tax collector which the Dauphin County TCC has carried out since day one of county-wide collections.

Now that LB&FC has weighed in with its thoughts, we wish to add our voice to the small chorus that from time to time sings of Act 32.¹³ To some extent, this report is an extension of our efforts of nearly two years ago when, in May of 2015, the Dauphin County TCC originated, organized and hosted a symposium on Act 32. At that time, we brought together a cross section of tax collection committee delegates, collectors and other stakeholders to discuss such topical issues as oversight of the tax collector, DCED's suggested audit procedures, and the feasibility of further consolidation of local tax collections.

¹¹ Legislative Budget & Finance Committee, The Impact of Act 32 on the Collection of Local Earned Income Taxes, October 2016 (hereafter, LB&FC Audit), S-1. The report is available online at: <http://lbfc.legis.state.pa.us/Resources/Documents/Reports/568.pdf>.

¹² Id.

¹³ The chorus must certainly include DCED and the Pennsylvania General Assembly which is likely at some point to seriously consider amendments to Act 32, but it also includes influential groups such as the Pennsylvania State Association of Township Supervisors and the Pennsylvania Institute of Certified Public Accountants. The Dauphin County TCC has interacted with both groups on Act 32 matters.

With this, our most recent effort, we wish to focus on the issue of oversight with the hope that other committees may benefit from our experience as they seek ways to effectively oversee their appointed collectors. We also wish to share with others some observations of our collector who has truly made a science out of what had been the art of local EIT collection. (See **Exhibit A** hereto.)

In giving voice to these heartfelt thoughts and observations, we do not presume to tell other committees what to do. Instead, much as we sought to do at the 2015 symposium, we wish only to cultivate a dialogue on best practices so that all tax collection committees have an opportunity to learn from each other.

The Tax Collection Committee: Overseer of Local EIT Collections

According to DCED, the lack of oversight of tax collections was a major cause of the widespread inefficiency and dysfunction under Act 511.¹⁴ Thus, it came as no great surprise when Act 32 imbued tax collection committees with the specific duty “[t]o appoint and **oversee a tax officer** for the tax collection district.”¹⁵ (Emphasis added.) See Act 32, §505(a.1)(2), 53 P.S. §6924.505(a.1)(2). To oversee is to watch over; to subject to scrutiny.¹⁶ Hence, without question, all tax collection committees have the statutory duty (i.e., obligation) to inspect the appointed collectors.

¹⁴ See n. 4, supra.

¹⁵ Act 32 insists upon calling tax collectors tax “officers.” (See 53 P.S. §6924.501 where “tax officer” is defined as “a political subdivision, public employee, tax bureau, county, * * * or private agency which administers and collects income taxes for one or more tax collection districts.”) While we suppose that the bonding requirements for tax officers alone connote the authority or trust with which such “officers” are statutorily imbued, we will nonetheless refer to them throughout this report as “tax collectors,” their usual moniker.

¹⁶ The American Heritage Dictionary of the English Language, Third Edition. (Boston: Houghton Mifflin Company, 1992), 1292.

How is this obligation best accomplished? How should a committee watch its collector without interfering with the sometimes cumbersome, often challenging and frequently mundane work of tax collection?

To begin with, a tax collection committee cannot oversee the work of the tax collector if it fails to regularly meet.¹⁷ No delegate to the Dauphin County TCC wishes to return to the early days of 2010 when we met monthly, often for hours at a time, in order to accomplish the critically important work of adopting bylaws, drafting a request for proposals for tax collection services, selecting a tax collector, and then finally negotiating and executing a contract with the appointed tax collector. However, given the disparity of expertise between the appointed collector and the committee charged with the duty to make the appointment, no tax collection committee can conceivably “watch” the work of the collector in any meaningful way if it meets only sporadically or simply when the tax collector seeks a renewal of its contract with the committee.¹⁸

Since 2012,¹⁹ the Dauphin County TCC has met regularly 5-6 times per year to review the work of our collector and do other business required of the committee. Usually, our collector attends the committee meetings and makes a presentation on the status of tax collections. Any delegate present at the meeting is then free to question the appointed collector about any facet of collections, regardless of whether the questions directly involve his or her respective political subdivision. This way, we have developed a mechanism to enable each of the fifty-two (52)

¹⁷ Act 32 makes no mention of how frequently tax collection committees should meet. Instead, following its recitation of how the first meeting of the committee is to be handled, Act 32 simply states: “**The chairperson shall schedule meetings, set the agenda, conduct meetings, record votes and perform other duties as determined by the tax collection committee.**” (Emphasis added.) 53 P.S. §6924.505(e).

¹⁸ Note: According to the LB&FC report, **over 40% of the tax collection committees responding to its survey met only 1 or 2 times throughout all of 2015.** (See LB&FC Audit at page 23.)

¹⁹ The political subdivisions comprising the Dauphin County Tax Collection District did not opt for early implementation under Act 32, §515(b), 53 P.S. § 6924.515(b). Therefore, in Dauphin County, the first year of county-wide EIT collections was 2012.

political subdivisions within the Dauphin County Tax Collection District to keep watch on the tax collector through the delegates – both voting and alternate – they appoint to the Dauphin County TCC.

From its inception, the Dauphin County TCC has had almost no difficulty in establishing a quorum for purposes of doing official business.²⁰ We directly attribute our success at consistently establishing quorums to the following: (1) the bylaws expressly recognize the fact that appointed delegates may represent more than one political subdivision; and (2) except for the appointment of the tax collector, we have eliminated the weighted vote requirement which so favors the most populated and affluent municipalities and school districts. Both points warrant some discussion.

First, the Bylaws of the Dauphin County Tax Collection Committee specifically provide that, “[f]or purposes of calculating quorum, a delegate representing more than one taxing authority shall represent an amount in correlation to the number of taxing authorities the delegate represents.”²¹ Translation: if you have been appointed the voting delegate of, say, six separate political subdivisions within the Dauphin County Tax Collection District, then, your presence at a TCC meeting effectively constitutes the presence of all six political subdivisions.

Time and again, the Dauphin County TCC has established a quorum through the dedicated efforts of two esteemed delegates who, between them, represent fourteen different

²⁰ Act §505(b.1), 53 P.S. §6924.505(b.1), states that “[u]nless otherwise provided for in the bylaws of a tax collection committee, a majority of the delegates of a tax collection committee * * * constitutes a quorum.” The bylaws of the Dauphin County TCC are consistent with the statute in that we require “the presence of a majority of the voting delegates of the TCC * * *.” (See Art. I, Section 4 of the Bylaws of the Dauphin County Tax Collection Committee, a complete copy of which is available online at <http://www.dauphincounty.org/government/Property-and-Taxes/Act-32.>)

²¹ Id.

political subdivisions.²² There is nothing at all untoward about such a practice.²³ In fact, for tax collection districts as geographically large as Dauphin County, our practice may well be the only effective means of consistently establishing quorums at tax collection committee meetings. We therefore recommend that all committees encourage such a practice.

Secondly, the weighted vote requirement found at Act 32, §505(c)(2) is an almost sure-fire way to discourage (if not prevent) the establishment of a quorum on any kind of regular basis.²⁴ Why on earth would a voting delegate from a small – in terms of population or tax revenue collected – political subdivision take the time to attend a TCC meeting if the weighted vote will carry the day on everything from the appointment of the tax collector to the purchase of a box of pencils. Most delegates in such circumstances will not attend because for all practical purposes they have no voice in how the tax collection committee is governed.

This is why, from the get go, the Dauphin County TCC addressed the problem by dropping the weighted voted for all things save the appointment of the collector. We did this by adopting a bylaw which states:

Except for the appointment of a tax officer, all actions by the [TCC] shall be by majority vote of those delegates present,

²² The two delegates are Kaye Thoma and Gary Shade. Ms. Thoma, who also serves as Secretary of the Dauphin County TCC, is the appointed voting delegate for Upper Dauphin Area School District, Jefferson Township, Pillow Borough, Washington Township, Berrysburg Borough, Elizabethville Borough, Gratz Borough, Mifflin Township and Lykens Township. Mr. Shade, who also serves as Chairman of the TCC's audit subcommittee, is the appointed voting delegate for Halifax Area School District, Halifax Township, Halifax Borough, Jackson Township and Wayne Township.

²³ Act 32, §505(b), 53 P.S. §6924.505(b), simply states: "The governing body of each political subdivision within a tax collection district * * * shall appoint one voting delegate and one or more alternates to represent the political subdivision on the tax collection committee * * *." Act 32 then adds: "A voting delegate or alternate shall serve at the pleasure of the governing body of the political subdivision." *Id.* **No where is it required that the voting delegate (or alternate) be a resident of the political subdivision for which the appointment is made.**

²⁴ In pertinent part, the voting rights section of Act 32's discussion of tax collection committees reads as follows: "* * * [A]ctions of the tax collection committee shall be determined by a majority vote of those delegates present. Votes shall be weighted among the governing bodies of the member political subdivisions according to the following formula: 50% shall be allocated according to the proportional population of each political subdivision in proportion to the population of each tax collection district * * * and 50% shall be weighted in direct proportion to income tax revenues collected in each political subdivision * * *. * * * [V]otes shall be taken in accordance with this paragraph **unless the bylaws provide otherwise.**" (Emphasis added.) 53 P.S. §6924.505(c)(2).

provided a quorum is present at the time of voting. In counting delegate votes, each delegate shall have one equally weighted vote for each taxing authority the delegate represents. **With respect to the appointment of a tax officer**, all actions taken by the [TCC] shall be by majority of the weighted vote of those delegates present, provided a quorum is present at the time of voting. * * * (Emphasis included.)

(See Bylaws of Dauphin County TCC at Art. I, Section 3, available online at <http://www.dauphincounty.org/government/Property-and-Taxes/Act-32>.)

By removing the weighted vote impediment, we have actively sought to encourage the participation of all political subdivisions comprising the Dauphin County Tax Collection District, while safeguarding the voting rights of the large political subdivisions on one of the most important decisions a tax collection committee must make (i.e., the decision to appoint the collector). We encourage all other committees to do the same.

After appointment of the tax collector, the tax collection committee is charged with the duty to enter into a written agreement with the tax collector.²⁵ As Act 32 emphasizes, “[t]he agreement shall be approved by the committee by resolution.” 53 P.S. § 6924.507(d). Thus, the negotiation, execution and administration of the contract for tax collection services are clearly important aspects of the committee’s overall “oversight” duties. So are the duties given to the committee “[t]o require, hold, set and review the tax officer’s bond * * *.” 53 P.S. §6924.505(a.1)(4).

²⁵ Strictly speaking, Act 32 envisions the appointment of the collector and the approval of the contract taking place coterminously. (“* * * [A]ll appointments of a tax officer shall be made pursuant to a written agreement between the tax officer and the tax collection committee.” 53 P.S. §6924.507(d)). Nonetheless, the interplay between that requirement and the specific appointment provision at Section 507 (“* * * [E]ach tax collection committee shall appoint a tax officer by resolution and shall notify the [D]epartment [of Community and Economic Development] of the appointment * * *.” 53 P.S. §6924.507(a).) resulted in most committees doing what we did; namely, first we adopted a resolution appointing the collector and then, following negotiations of the terms and conditions, we adopted a resolution approving the written agreement.

Nonetheless, few of the tools given to committees under Act 32 rival in importance the one concerning the annual audit of received and disbursed taxes. Specifically, under section 505(h)(1):

By the end of each calendar year, **the tax collection committee shall provide for at least one examination for each calendar year of the books, accounts, financial statements, compliance reports and records of the tax officer by a certified public accountant or public accountant approved by the tax collection committee.** The examination shall include an audit of all the records relating to the cash basis receipt and disbursement of all public money by the tax officer, a reconciliation of the monthly reports required by section 509(b),²⁶ an analysis of the bond amount [required of the collector, as set by the committee] * * * and an analysis of the collection fees charged to the tax collection committee. * * * **The examination shall be conducted according to generally accepted governmental auditing standards.** (Emphasis and footnote added.)

53 P.S. §6924.505(h)(1).

In February of 2013, DCED publicly released a report on suggested audit procedures for tax collection committees.²⁷ DCED went to the effort to produce the report largely in recognition that committees require guidance to make proper use of the annual audits. That's fine, and we heartily commend DCED's Suggested Audit Procedures to all committees that heretofore have not reviewed the document.

However, audits are not easy reading. Not all appointed committee delegates have the background or inclination necessary for a proper review of the annual audit of the tax collector

²⁶ In pertinent part, section 509(b) states: "The tax officer shall, within 20 days after the end of each month, provide a written report * * * to * * * the tax collection committee * * *. The report shall include a breakdown of all income taxes, income generated from investments * * *, penalties, costs and other money received, collected, expended and distributed for each political subdivision served by the tax officer and all money distributed to tax officers for other tax collection districts." 53 P.S. §6924.509(b).

²⁷ Pennsylvania Department of Community and Economic Development, Suggested Audit Procedures, First Edition, February 2013. As an aside, Act 32 authorizes DCED, "* * * in consultation with the Department of Revenue, * * * [to] prescribe standardized forms, reports, notices, returns and schedules and [it] shall promulgate regulations as necessary to carry out the provisions of this act." 53 P.S. §6924.508(a).

even though a proper review of such audits is absolutely critical to effective oversight of the collector.

Therefore, almost from its inception, the Dauphin County TCC has followed “Sarbanes-Oxley best practices” by designating a select group of delegates to serve as the TCC’s “audit” subcommittee.²⁸ This means that we have a cadre of delegates, at least one of whom is a “financial expert” for S-Ox purposes,²⁹ who dedicate themselves to working with the appointed auditor and scrutinizing the annual report issued by the auditor, including the auditor’s opinion letter.³⁰ The audit subcommittee then presents the auditor’s report to the full TCC at the next regular meeting following receipt of the audit and report. This way, proper attention is given by the Dauphin County TCC to one of the most important documents it receives during any given calendar year.

The Dauphin County TCC’s subcommittee structure is framed in our bylaws.³¹

Basically, each January, the TCC votes to designate an audit subcommittee,³² with the TCC

²⁸ At this point, countless forests have been sacrificed to explicate, in writing, the significance and consequence of the American Competitiveness and Corporate Accountability Act of 2002, commonly referred to as the Sarbanes-Oxley Act or S-Ox, passed by Congress in reaction to a profound wave of corporate and accounting scandals such as Enron. We do not wish to participate in that sacrifice other than to say that two instructive articles on S-Ox best practices for nonprofit organization and others are: (1) Philoan M. Tran, “A Sarbanes-Oxley Act For Non Profits?,” *The Practical Lawyer* (October 2005): 47-53; and (2) Board Source and Independent Sector, *The Sarbanes-Oxley Act and Implications for Nonprofit Organizations*, 2003.

²⁹ A certified public accountant is deemed a “financial expert” for S-Ox purposes.

³⁰ Act 32 specifically provides that “[t]he certified public accountant * * * shall issue a report * * * to the tax collection committee, which shall include an auditor’s opinion letter, a financial statement, a reconciliation of the monthly reports * * * [sent to the committee by the collector] with the receipts and disbursements, a summary of collection fees charged to the tax collection committee, a report on the tax officer’s compliance with this act, a list of any findings of noncompliance with this act and a copy of a management letter if one is issued by the auditor.” 53 P.S. §6924.505(h).

³¹ Article IV, Section 1 states: “The [TCC] * * * may designate [sub]committees as needed. The members of such [sub]committees shall be appointed by the [TCC] Chairperson, subject to the approval of the * * * [TCC].”

³² Historically, the TCC has also designated subcommittees on risk management and finance. There is also an Executive Committee which “* * * shall meet as necessary in order to transect the business of the TCD between meetings of the TCC * * *.” (See Bylaws at Article IV, Section 6.) **The purpose of the Executive Committee is to ensure continuous oversight of the collector, although “[a]ny official action taken by the Executive Committee shall be subject to ratification of the * * * [TCC] at the next meeting of the TCC following such action.”** Id.

Chairman then appointing the membership, as approved by the TCC. Since inception, the audit subcommittee has been chaired by Gary Shade,³³ a voting delegate who is a respected CPA. Under Mr. Shade's leadership, the audit subcommittee views its work as sufficiently important to warrant its own charter, a copy of which is attached hereto at **Exhibit B**.

We certainly do not suggest that all tax collection committees should organize themselves in our image. However, given the importance of the audit to the committee's oversight duties, we strongly recommend that each tax collection committee designate an audit subcommittee comprised of at least one person with financial expertise.³⁴ For those who have not done so in the past but wish to do so in the future, we commend you to the website of the National Council of Nonprofit Associations (NCNA).³⁵ It has available online a variety of information about audit committees, including an activity checklist with a summary of its role and responsibilities in the nonprofit sector. The NCNA information can be readily used and modified to suit the needs of tax collection committees.³⁶

Our Tax Collector's Perspective

The Dauphin County TCC has a mutually beneficial working relationship with its appointed tax collector, Keystone Collections Group. Keystone representatives regularly attend our TCC meetings, and it has consistently and faithfully responded to the committee's questions and requests for information as we have sought to fulfill our oversight duties.

Keystone has prepared its own analysis of Act 32, as implemented in the Dauphin County Tax Collection District. We attach the Keystone analysis as **Exhibit A** to this report.

³³ Cp. n. 22, supra.

³⁴ According to LB&FC, **only 30% of the tax collection committees responding to its survey have audit subcommittees.** (See LB&FC Audit at page 28.)

³⁵ <https://www.councilofnonprofits.org>

³⁶ Under Act 32, DCED provided sample bylaws at the outset of county-wide collections. See 53 P.S. §6924.505(f). We have modified those model bylaws to suit our needs. Other committees are free to do the same.

Keystone’s analysis summarizes the important fieldwork it did in Dauphin County during the run-up to county-wide EIT collections, and it highlights the revenue increases achieved under Act 32. Keystone also emphasizes (rightly in our opinion) the sophistication of its technology,³⁷ plus the ease with which taxpayers can electronically file their annual tax returns. We do not wish to repeat what Keystone has already said. Nonetheless, we do wish to emphasize the importance of the “internal controls” audit that Keystone voluntarily undertakes at its own cost.

Previously, we addressed the importance of the annual audit required of all appointed tax collectors under Act 32, Section 505(h).³⁸ That audit – referred to in the trade as a **Yellow Book** audit – is an “external” audit conducted by a CPA. As Keystone explains in its report:

The **Yellow Book** audit tests the financial reporting and tests compliance with the laws, regulations, contracts and agreements that contribute to the evidence supporting the opinion on the final statement. (Emphasis included.)

(See **Exhibit A** hereto at page 8.)

But there is another type of audit – in many ways, a more important audit – that is not required by Act 32. We speak of an “internal controls” audit – currently referred to in the trade as a “SOC-1, Type 2” audit – which assesses how well a firm safeguards revenues, costs, activities and assets within its control. This type of audit is both time-consuming and expensive, and under S-Ox it is now required of most corporations whose stock is publicly owned and traded.³⁹

³⁷ Under Act 32, DCED was required to prepare a “best practices” manual “* * * including * * * requests for proposals for the procurement of software systems and other critical systems and other appropriate samples.” 53 P.S. §6924.508(d)(2). That 2009 manual, no longer available online, had much to say about the importance of information technology (IT) in the world of local EIT collections. In our opinion, Keystone’s IT exceeds anything that DCED was contemplating when it released its manual on best practices. Unfortunately, DCED has not produced a new edition of such a manual even though it has the necessary powers to do so under Act 32. (See, e.g., 53 P.S. §6924.508(a) and (f).)

³⁸ See discussion at pages 8-10, *supra*.

³⁹ See n. 28, *supra*. See also LB&FC Audit at page 18 which states: “A Type II report builds on the information contained in a Type I report by more extensive testing of the controls that were in place over a specified period of

An internal controls audit is not, however, required of appointed local EIT tax collectors.

In our opinion, this is a woeful deficiency in the present Act 32 structure. As Keystone explains in its analysis:

Speed, efficiency and transparency are insufficient without accountability. Accountability is possible only through the outside audits of the Tax Officer's service organization controls.

* * *

The SOC-1, Type 2 audit examines the suitability of the design and operating effectiveness of the Dauphin TCC's Tax Officer's controls. In the audit, the Tax Officer provides the outside auditors with descriptions of its operating systems and the controls necessary to ensure the systems operate effectively and that the necessary controls are in place to ensure the integrity of the systems to comply with Act 32 standards, protect the privacy of taxpayers, and recover data in case of a catastrophic event.

* * *

Act 32 consolidation and standardization has brought great efficiencies to local tax collection and distribution. **Mandating SOC-1, Type 2 audits is the next logical step in Act 32 standardization that would improve transparency, accountability and oversight of local tax collection.** (Emphasis added.)

(See **Exhibit A** hereto at page 8.)

Therefore, the Dauphin County TCC joins Keystone in its recommendation that all appointed tax collectors under Act 32 be required to regularly undergo SOC-1, Type 2 audits.⁴⁰ If DCED fails to promulgate such regulations,⁴¹ then, tax collection committees across the state

time (no less than 6 months). * * * **Because testing the effectiveness of the controls over an extended test period provides much more insight and overall assurances of a service organization's control environment, a Type II report is seen as the much more credible report.**" (Emphasis added.)

⁴⁰ Right now, without further legislation, DCED has the necessary power to require such audits by promulgating regulations to that effect. (See 53 P.S. §6924.508(f)(2) which specifically states: "The department shall, by regulation, establish the qualifications and requirements a tax officer must meet prior to being appointed and must meet for continuing appointment.")

⁴¹ See n. 40, supra.

should take matters in their own hands by requiring collectors, by contract, to undergo such internal controls audits. After all, under Act 32, every tax collection committee already has the express power to do so.⁴²

Our collector has passed its internal controls audit **without exception** the past four years running. As we endeavor to oversee Keystone's many actions on our behalf, nothing gives us greater confidence in its skill and competence than its internal controls audit. Other committees should position themselves for the same assurance.

Conclusion

Act 32 has rather effectively remedied the fragmentation and dysfunction of the old tax collection system.⁴³ In large part, Act 32 has sought to do so by placing the oversight function, virtually absent from the old system,⁴⁴ squarely on the backs of the tax collection committees. Therefore, from here on out, DCED and the Pennsylvania General Assembly should take pains to make sure that the committees have the necessary tools to undertake effective oversight.

For the reasons herein stated, the Dauphin County TCC respectfully recommends that DCED promulgate necessary regulations requiring all tax collectors appointed under Act 32 to undergo formal SOC-1, Type 2 audits as a condition of their appointments.⁴⁵ Our collector undertakes these strenuous audits annually. We recommend the same frequency for all other collectors.

⁴² See 53 P.S. §6924.508(f)(2) which clearly states: "A tax collection committee may establish additional qualifications and requirements a tax officer must meet prior to being appointed and must meet for continuing appointment."

⁴³ See n. 2, supra.

⁴⁴ See n. 4, supra.

⁴⁵ According to LB&FC, "DCED has * * * proposed regulations [that] would require * * * tax officers undergo an SSAE 16 audit of their internal controls at least once every two years." See LB&FC Audit at page 21. LB&FC adds: "These regulations * * * are currently before the Independent Regulatory Review Commission * * *." Id. (Cp. n. 11, supra.) **Note: An SSAE 16 audit can include a SOC-1, Type 2 audit, but a SSAE 16 audit is not identical to the rigors of a SOC-1, Type 2 audit.**

Next, we recommend that DCED promulgate necessary regulations requiring all tax collection committees to publicly report to DCED on the number of meetings held during each calendar year. We suggest that the most efficacious way of doing so is to require that such information be sent to DCED coterminous with the filing of the annual audit, which by law must take place “on or before September 1.” 53 P.S. §6924.505(h)(2). As we previously observed, “* * * no tax collection committee can conceivably watch the work of the collector in any meaningful way if it meets only sporadically or simply when the tax collector seeks a renewal of its contract with the committee.”⁴⁶ Therefore, as part of such reporting requirements, we also recommend that all certifications of meetings scheduled and held be provided to DCED pursuant to 18 Pa. C.S. §4904, concerning unsworn falsification to authorities. This way, at least theoretically, there will be sanctions against delegates who fail to accurately report on how often (or how infrequently) particular tax collection committees actually meet.

Third, in connection with reporting on the frequency of committee meetings, we strongly recommend that DCED promulgate regulations requiring the establishment of audit subcommittees based on S-Ox best practices. Simply put, no other mechanism will facilitate the necessary and thorough review of the annual tax collector audits, a task we have repeatedly argued is one of the most important oversight functions of a committee. Should some form of internal controls requirement actually emerge from the IRRC process,⁴⁷ a S-Ox-based audit subcommittee will be all the more necessary to explicate to other delegates the nuances and intricacies of internal controls.

⁴⁶ See discussion on page 5, *supra*.

⁴⁷ See n. 45, *supra*.

Fourth, given the importance of the written contract between the committees and the appointed collectors,⁴⁸ more effort should be made to make such contracts readily available for public inspection. Yes, all such contracts are subject to disclosure under the Right-to-Know Law,⁴⁹ but why force interested delegates to jump through that hoop each time they are, for example, attempting to compare and contrast tax collector compensation.⁵⁰ Therefore, we recommend that DCED require, by regulation, the public filing of all section 407(d) contracts, plus amendments thereto. And, as part of this recommendation, DCED should establish and maintain an online registry of all such public contracts, something it can readily accomplish by administrative fiat.

Fifth, we recommend that all tax collection committees use their bylaws to recognize the fact that appointed delegates may represent more than one political subdivision.⁵¹ It's a proven method for helping those committees who wish to regularly meet to do business, but are prevented from doing so by a lack of a quorum.

Sixth, we recommend that all committees that have yet to do so promptly eliminate the weighted vote for most matters of committee business. For the reasons stated herein, unless modified, the weighted vote requirement will almost certainly discourage many delegates from participating in committee business.

Finally, LB&FC has specifically noted that many have expressed interest in using Act 32 as a model for the collection of other taxes, such as real estate taxes. In 2011, LB&FC published

⁴⁸ See n. 24, *supra*.

⁴⁹ Accord 53 P.S. §6924.505(i)(1).

⁵⁰ Respectfully, we do not believe that LB&FC goes far enough when it states: "We recommend DCED post, at a minimum, information on the amount, and as a percentage of collections, tax collectors are charging each TCC to collect the EIT for that tax collection district." (See LB&FC Audit at page S-3.)

⁵¹ See discussion at pages 5-6, *supra*.

a report on Pennsylvania's system of real estate tax collection.⁵² In light of the interest recently expressed to LB&FC, we recommend that it undertake an update of its earlier work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Aug", followed by a long, sweeping horizontal stroke that ends in a small upward flick.

August "Skip" Memmi
Chairman, Dauphin County TCC

⁵² Legislative Budget & Finance Committee, Pennsylvania's Current Real Property Tax Collection System, Conducted Pursuant to Senate Resolution 2010-250, June 2011.

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

AUGUST "SKIP" MEMMI – CHAIRPERSON
KAREN MCCONNELL – VICE CHAIRPERSON
KAYE THOMA – SECRETARY

November 13, 2018

The Honorable Mike Tobash
Williamstown District Office
Borough Building
200 S. West Street
Williamstown, PA 17098

RE: Act 32 (Consolidated Collection of Local Income Taxation); Department of Revenue Study Investigating the Feasibility of Replacing County-Wide EIT Collections with a State-Wide Collection Method

Dear Representative Tobash:

I write as a follow-up to my letter of September 5th.

Enclosed please find a copy of Resolution No. 2018-02 unanimously adopted by the TCC at its September 19th meeting following the public comments of the state legislators in attendance.

In my letter to you of September 5th, I commented that "the Department of Revenue has not made any meaningful attempt to obtain input from the tax collection committees. Instead, the Department appears to be proceeding in stealth to prepare its report which, as indicated, is due by year-end." The enclosed Resolution reiterates those comments because the TCC views this oversight by the Department as a serious flaw in its study of statewide EIT collections.

Moreover, because of this oversight, the TCC is not confident that the Department of Revenue appreciates just how cumbersome a transition from countywide collections to statewide collections will prove to be. We could have, of course, explained that to the Department had it timely sought our input.

As indicated herein, the report is due by December 31st. Upon receipt, the TCC will carefully review the document. As you are aware, the TCC is comprised of delegates from fifty-two taxing authorities in Dauphin County. We anticipate sharing our thoughts with you, in writing, following discussion by the full TCC at its January meeting.

Thank you for your attention to this letter.

Sincerely,



August "Skip" Memmi, Chairman

AM/db

Enclosures

4075 LINGLESTOWN ROAD, PMB#349 – HARRISBURG, PA 17112

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

RESOLUTION NO. 2018-2

Adopted: September 19, 2018

**A RESOLUTION OF THE DAUPHIN COUNTY
TAX COLLECTION COMMITTEE
IN SUPPORT OF CURRENT EARNED INCOME TAX COLLECTIONS,
AS DEFINED BY ACT 32, AND IN OPPOSITION TO LEGISLATIVE
INITIATIVES TO MANDATE CENTRALIZED SERVICES**

WHEREAS, the Dauphin County Tax Collection Committee (hereafter, TCC) has been authorized under Act 32 to oversee the collection and distribution of Earned Income Taxes (EIT) for all taxing authorities in Dauphin County; and

WHEREAS, the TCC is responsible to monitor, audit and evaluate each aspect of the process; and

WHEREAS, the TCC is authorized to establish the most cost-effective, efficient method to collect and distribute EIT revenue on behalf of all Dauphin County taxing authorities; and

WHEREAS, the TCC has experienced unparalleled revenue growth and efficiency since the adoption of PA Act 32 in 2009, and exemplary service and value working with its current collections contractor, and

WHEREAS, the TCC values its ability to choose its own contractor for daily/operational services, to ensure the highest degree of accuracy, efficiency and value for the taxpayers of Dauphin County; and

WHEREAS, the TCC is aware of an initiative (HR 291) which was endorsed by the PA House of Representatives to study and explore a proposal to consolidate these services on behalf of all counties in the Commonwealth of PA, specifically through an agency such as the PA Department of Revenue. According to HR 291, the PA Department of Revenue is to consult with “counties, municipalities and school districts,” among others, as it undertakes its study of the proposed collection of EIT on a statewide basis. Moreover, HR 291 requires the PA Department of Revenue to “furnish a report of its findings and recommendations resulting from the study to the chairperson and minority chairperson of the Finance Committee of the Senate and the chairperson and minority chairperson of the Finance Committee of the House of Representatives no later than December 31, 2018[.]”

NOW, THEREFORE, BE IT RESOLVED that the TCC hereby lends its support to maintain all current policies and procedures related to EIT collections/distributions as defined by Act 32. Additionally, we note that the PA Department of Revenue has not consulted with the TCC concerning the study it is soon to furnish to certain state legislators; nor, to the best of the TCC's knowledge, has the PA Department of Revenue consulted with other tax collection committees.

BE IT FURTHER RESOLVED that the TCC opposes any legislative initiatives to consolidate EIT services through any central agency at the state level. Additionally, we encourage our TCC representatives to work with all local, state agencies and private contractors, to explore any and all options to improve or enhance current methodology for EIT collection/distribution and to avail themselves for discussion that might offer improvements.

Adopted this 19th day of September, 2018.

ATTEST

DAUPHIN COUNTY
TAX COLLECTION COMMITTEE



Kaye Thoma, Secretary

By: _____
August "Skip" Memmi, Chairperson

Date: September 19, 2018

May 22, 2018

Dear Sir or Madam:

Act 32 § 505(g) of 2008 requires each County Tax Collection Committee (TCC) to provide the Department of Community and Economic Development (DCED) with contact information for each TCC officer. The information required includes the name, address, phone number and email address for each officer on the TCC. Additionally, DCED requires that each TCC provide a full-time contact person for the committee. Please provide DCED with completed contact information for all positions below.

Tax Collection Committee Name: Bradford County Tax Collection Committee

Chairperson

Name: Doreen Secor

Phone: 570-265-3832

Address: PO Box 231, Towanda, PA, 18848

Email Address: [REDACTED]

Vice Chairperson

Name: Mark Jannone

Phone: 570-673-3191

Address: 509 E Main St, Canton, PA, 17724

Email Address: [REDACTED]

Secretary

Name: Brenda A. Ferguson

Phone: 570-746-3231

Address: 4332 Herrickville Rd, Wyalusing, PA, 18853

Email Address: [REDACTED]

Treasurer

Name: Traci J. Gilliland

Phone: 570-297-2750

Address: 30 Taylor St, Troy, PA, 16947

Email Address: [REDACTED]

Full-Time Contact Person

Name: Brenda A. Ferguson

Phone: 570-746-3231

Address: 4332 Herrickville Rd, Wyalusing, PA, 18853

Email Address: [REDACTED]



Butler County Tax Collection Committee
110 Campus Lane Butler, PA 16001
724-214-3130 Fax: 724-287-0634
www.bctcc.org

June 30, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary
for Compliance and Collections
PA Department of Revenue

Dear Mr. Morabito:

Please accept this letter on behalf of the Butler County Tax Collection Committee (BCTCC) regarding House Resolution (HR) No. 291 of 2017. The BCTCC would like to express concerns with the notion of a statewide collection of local earned income tax replacing the current countywide collection process enacted after the passage of Act 32 of 2008.

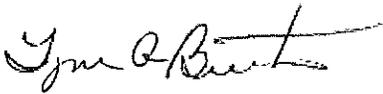
The BCTCC is a very successful and active committee comprised of representatives from multiple political sub-divisions (PSDs) with the objective of accurately and efficiently collecting and reporting earned income taxes while serving all of our stakeholders, including taxpayers, employers and the PSDs. Additionally, we value the strong working relationship we have developed with the tax collection entity we selected, Berkheimer Tax Administrators. The BCTCC has invested significant time, energy, and resources to become the successful entity that Act 32 intended TCCs to be. Since inception, the BCTCC has experienced increased collections, reduced taxpayer delinquencies, and more timely remittances for all of the PSDs within the County of Butler. The cooperative effort of all of the PSDs represented in the BCTCC allows for a balance between local control of the process and the economy of scale of countywide collections. Specifically of note, Berkheimer has a local office in Butler Township which enables our taxpayers, employers, PSDs direct access to assistance. This service is extremely beneficial to those needing personal attention, and is a priority to the BCTCC.

Our concern is that a statewide collection will have a negative impact on our PSDs, taxpayers, and employers. Past experience has been that the state's processes have been impersonal, inefficient, and unpredictable causing serious concern about the accuracy and timeliness of distributing crucial payments to PSDs as well as concern about continuing to provide personalized local service. We also believe that statewide collection will provide very little, if any, relief or improvement for employers as all of the current individual employee withholding and reporting requirements would need to remain in place.

Ultimately, a statewide collection will most certainly create yet another difficult and confusing transition for all. Finally, questions have been raised about "orphaning" other local taxes that are frequently collected quite efficiently by the earned income tax collector. An unintended consequence of carving off the EIT would be to increase the cost of collecting other taxes levied by PSDs.

Please consider all the variables when exploring the statewide collection. Thank you for the opportunity to express our opinion. If we can be of further assistance to you, please do not hesitate to contact us.

Sincerely,



Lynn Burtner
Chairperson



Diane Morrow
Administrator

**A Resolution by Reading Township, County of Adams,
Commonwealth of Pennsylvania, in opposition of
HR 291 of the 2017-2018 Session**

A RESOLUTION OF READING TOWNSHIP ADAMS COUNTY, PENNSYLVANIA, THAT

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, Reading Township has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Reading Township; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, Reading Township does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by Reading Township, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Reading Township is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Reading Township.

Duly Resolved and adopted on this 23 day of Aug, 2018.

ATTEST:



Kimberly Beard
Secretary/Treasurer

READING TOWNSHIP



Kevin Holtzinger
Chairman



Marcia Weaver
Vice Chairperson



Gary Sauble
Supervisor

ACSTCC

Allegheny County Southeast Tax Collection Committee
2700 Monroeville Blvd.
Monroeville, PA 15146
(412) 760-4327

August 28, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary
for Compliance and Collections
Pennsylvania Department of Revenue
393 Walnut Street
Harrisburg PA 17128-0393

Dear Mr. Morabito:

On behalf of the Allegheny Southeast Tax Collection Committee, I would like to comment on House Resolution 291 and submit for the record our strong support for maintaining local oversight and control of local tax revenue under the current Act 32 system.

Act 32 has been a substantial benefit to our TCC as evidenced by increased revenues of 34.5% (or \$16.5 million through 2017) and reduced costs of collection. Currently, we enjoy the benefit to choose a Tax Officer or collection method best suited to the needs of our community. Therefore, it is difficult to ascertain any benefit to a mandated statewide collection method that currently lacks the technology to distribute our TCC's tax revenues.

Statewide administration, collection and distribution of local revenue will not result in any greater efficiency for our boroughs, cities, municipalities and school districts than we currently enjoy under Act 32 with our chosen Tax Officer, Keystone Collections Group. In fact, I would submit that adding an additional layer of bureaucracy would create greater inefficiencies, not fewer.

With respect, we also disagree with the assertion in HR 291 that:

[I]nefficiencies continue to plague the local tax collection process to the detriment of school districts and municipalities in this Commonwealth. (HR 291, at page 2)

This is not just our opinion based on our positive communal experience with our collector, but from other studies. The Legislative Budget and Finance Committee in its October 2016 report, *The Impact of Act 32 on the Collection of Local Earned Income Taxes*, confirmed the efficiencies of the Act 32 system. This is in addition to the \$173 million in annual revenue increases under Act 32, which HR 291 cites from the Committee report.

Aside from evidence gathered in previously performed government studies, the communities within the Allegheny Southeast TCC are delighted with the Act 32 system. Our TCC's school districts and municipalities have come to expect the transparency of and responsiveness from our local tax collector that we do not believe will be of the same priority under a statewide model. Our communities rely on regular, reliable revenue disbursements, which currently occur at least once every week, to meet payroll, ensure public safety and contribute to the quality of life for our residents.

Additionally, our collector provides us with customized reports on-demand for local budget projections and community impact analysis. Our residents receive personalized service in the form of extended evening and weekend hours during peak seasons.

This all stems from the efficiencies realized under Act 32. We chose our tax officer because of the services they provide to us at a competitive rate. The investments our collector makes in time, talent and technology are centered around improving local tax collection by responding to our needs.

Act 32's success is made possible only by local control and oversight of local revenue. Our tax officer works for us. Our residents deserve the transparency, efficiency and responsiveness we currently experience.

We remain steadfastly convinced that this level of transparency, responsiveness, local service and technological innovation cannot be replicated by the state. We strongly oppose any effort to vest control and oversight of local tax revenue in the Department of Revenue.

Sincerely,



Greg Erosenko
Chair

Allegheny Southeast Tax Collection Committee

MUNICIPAL & SCHOOL EARNED INCOME TAX OFFICE
2790 W. FOURTH STREET
WILLIAMSPORT PA 17701

Phone (570) 601-3980
Toll Free (In PA) 1-877-608-3980
FAX (570) 327-0650

JUNE 27, 2018

MARK MORABITO
Special Assistant to the Deputy Secretary for Compliance and Collections
PA Department of Revenue

Dear Mr. Morabito:

I am unable to attend the meeting on July 11, 2018. However, I have a few thoughts as to why statewide tax collections are not a good idea.

- The Municipal and School Earned Income Tax Office in Lycoming County is a non-profit. All monies collected remain in the school districts and municipalities in our jurisdiction, which keeps costs down and money circulating throughout the county.
- Our office collects for back years, and we do a great job identifying missed years and keeping our tax payers current. The increased scale of statewide collections would make it more likely that past unpaid years would go unnoticed and, therefore, unpaid.
- Since we are a non-profit, we are able to keep the tax payer costs low. The higher fees associated with a for-profit statewide collection process would result in increased costs for taxpayers, which would negatively impact our local economy.
- Statewide collections would result in job losses across the state due to the closing of local tax offices, unless you are planning to keep the current collectors to do the job. In that case, I fail to see the benefit of adding an additional level of bureaucracy.

I hope my input helps the Department of Revenue reach the correct decision not to go to statewide collections.

Best Regards,



Dewy Hilliard
Tax Office Manager
Lycoming County Municipal and School Earned Income Tax Office

Morabito, Mark

From: Brent Green <[REDACTED]>
Sent: Tuesday, July 24, 2018 3:12 PM
To: [REDACTED]
Subject: Statewide EIT Act 32 Study

Mr. Morabito:

East Allen Township has recently learned of a statewide study on tax collection in the Commonwealth. We wish to offer this letter as a comment on the current system and how it's benefited our community greatly. The implementation of Act 32 has been very beneficial to all parties involved and a success for East Allen Township. We have been able to access of tax data quickly and whenever we need it. We also have found our current county tax collection committee servicer to be responsive to our needs by providing extended hours for our residents, while providing great customer support. Most importantly with implementation of Act 32, we have seen our revenue stream become stable through weekly disbursements. Without those disbursements being weekly, we would wee a huge difficulty in maintaining our operations.

Additionally, we prefer have a local property tax collector because of the controls in place on the collections. We can hold them accountable and wish to keep the current system that we have in place in East Allen. Also, we have made significant upgrades in our computer system and Township Building to accommodate our residents and our tax collector.

With this being said, we feel these services cannot be accomplished by the Commonwealth and prefer to not build an additional governmental bureaucracy when the current system is working extremely well.

If you have any additional question, please feel free to contact me at (610) 262-7961.

Respectfully,

Brent M. Green
Township Manager
East Allen Township
5344 Nor-Bath Blvd.
Northampton, PA 18067
Phone - 610-262-7961
Email - [REDACTED]

Morabito, Mark

From: Dave Gentzler <[REDACTED]>
Sent: Friday, July 06, 2018 10:38 AM
To: Morabito, Mark
Cc: [REDACTED] 'emantwpcollector'
Subject: East Manchester Township

Mr. Morabito,

It was a pleasure speaking with you this morning.

In response to the letter concerning House Resolution 291, York Area Earned Income Tax Bureau does an excellent job.

We have no problems. Statewide collection would erode municipal/local control. Logically, we would just be a number in a large statewide collection bureau, which in turn causes communication breakdown.

I recommend to let things as they are, "IT AIN'T BROKE!" By the way, who's idea is Res 291?

Respectfully,

Dave

Dave Gentzler

Township Manager
East Manchester Township
5080 North Sherman Street Ext
Mount Wolf, PA 17347
Phone 717-266-4279
Fax 717-266-0429
www.emanchestertwp.com



Virus-free. www.avast.com



ELIZABETH FORWARD School District

401 Rock Run Road, Elizabeth, PA 15037

Dr. Todd Keruskin, Superintendent

412.896.2310

FAX 412.751.9483

October 17, 2018

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Dear Mr. Morabito:

This correspondence is to express the Elizabeth Forward School District's opposition to a shift from the current collection of local Earned Income Tax (EIT) to a statewide collection system as appears to be the intent of House Resolution No. 291 of 2017.

Since the passage of Act 32 of 2008 and moving to a county wide system of collection, not only has this revenue source increased dramatically, the deposits are timely and consistent. Under the current system funds are collected and deposited weekly directly into the school district general fund. This is critical in order to maintain a positive and sufficient cash flow. If collections move to a statewide system, school districts and municipalities should demand no less than weekly deposits as well as timely and detailed reports.

I have served as an alternate on the Allegheny County South East Tax Collection Commission since its inception. The Committee, as well as the Keystone Collection Group, have invested significant time and resources and now have a successful system in place for the collection of these funds. It is extremely disheartening and also unfair as tax collection committees and their collectors have worked tirelessly to create successful programs to then hand them over to the Commonwealth. If it was always the intent to collect EIT statewide, it is shameful that counties, school districts and municipalities had to first implement the system.

The current practice is efficient, effective and financially advantageous. Please do not attempt to fix a system that is not broken.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Richard Fantauzzi'.

Richard Fantauzzi, PCSBA
Director of Finance & Operations

Enclosure

INNOVATE ♦ GROW ♦ NURTURE ♦ INSPIRE ♦ TRANSFORM ♦ EMPOWER

The Elizabeth Forward School District is an Equal Opportunity Educational Institution

RESOLUTION NO. 2018 - 010

**ELIZABETH FORWARD SCHOOL DISTRICT
ALLEGHENY COUNTY, PENNSYLVANIA
A RESOLUTION OF OPPOSITION TO A STATEWIDE COLLECTION
SYSTEM OF *EARNED INCOME TAXES* AS APPEARS TO THE
INTENT OF HOUSE RESOLUTION NO. 291 OF 2017**

WHEREAS, the passage of Act 32 of 2008 mandated the creation of county wide collectors for earned income tax, and

WHEREAS, the school districts and municipalities complied, resulting in the creation of county wide commissions; and

WHEREAS, committee representatives have fully embraced and committed to the county wide concept expending significant time and utilizing local resources to ensure success; and

WHEREAS, Elizabeth Forward School District earned income tax revenue has increased exponentially and is remitted to the district on a weekly basis from the Keystone Collection Group, and

WHEREAS, the district is vehemently opposed to moving to a statewide collection; and

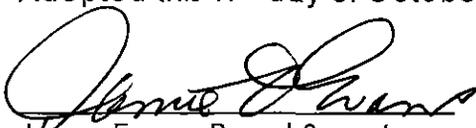
WHEREAS, the district does not believe it is in the best financial interest to move away from a successful county wide collection system.

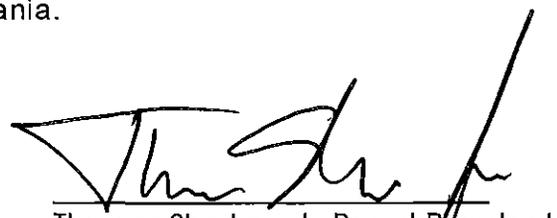
NOW, THEREFORE, BE IT RESOLVED that the Elizabeth Forward School District urges the Pennsylvania Department of Revenue to abandon the study mounted to determine the feasibility of transferring the responsibility for collection of Earned Income Tax to the Commonwealth; and

BE IT FURTHER RESOLVED that the Elizabeth Forward School District will encourage others, including district taxpayers to contact their state representative(s) to express concern for this proposed change, and

BE IT FURTHER RESOLVED that a copy of this resolution be submitted to the elected senators and representatives of the Elizabeth Forward School District in the General Assembly, and to the Governor of Pennsylvania.

Adopted this 17th day of October 2018


Jamie Evans, Board Secretary


Thomas Sharkey, Jr, Board President

SEAL

August 29, 2018

Ellsworth Borough
23 Main Street PO Box 545
Ellsworth, Pennsylvania 15331

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th. Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, Pa. 17128

Dear Mr. Morabito,

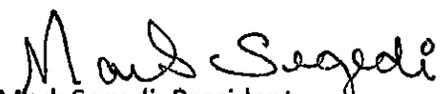
This letter is in regards to the Pa. Dept. of Revenue exploring the collection of Earned Income Taxes for the municipalities and school districts.

Earned Income Tax revenues are an important source of funding for our municipality. Since adoption of Act 32, Washington County has a system that is effective and efficient. It makes no sense to abandon a system that has demonstrated its worth. Taxes are collected, accounted for and distributed on a weekly basis, which makes us question if the Department of Revenue has the ability to distribute these funds weekly.

Ellsworth Borough has been part of the Washington County Tax Collection District and it has worked both efficiently and effectively. We have seen an increase in revenues and a decrease in cost.

Therefore, all being said, Ellsworth Borough objects to the Pa. Dept. of Revenue collecting Earned Income Taxes for municipalities and school districts.

Sincerely,
Ellsworth Borough Council


Mark Segedi, President

Morabito, Mark

From: Anthony Branco [REDACTED] >
Sent: Thursday, July 05, 2018 1:21 PM
To: Morabito, Mark
Cc: John J Finnigan Jr; Woglom, David L.
Subject: EIT Collections by the State

Mr. Morabito:

The Borough of Fountain Hill is a member community of the Northampton County Tax Collection Committee for many years, and I have been involved for the past 3 years since being hired by the Borough. I wanted to express my concern in having the state assume the collection and disbursement of local earned tax.

From what I have observed, the implementation of Act 32 has been very beneficial to all parties involved and the current system is working extremely well. It is crucial that our communities maintain local control and oversight of these tax revenues. Adding a level of bureaucracy would only lead to complications to the system that is not welcomed. The present benefits of the system currently in place have worked extremely well for all the communities in our area. The Board which is elected by the membership, as well as the contracted entities have done a tremendous job in ensuring that our community gets the necessary information related to revenues. As others in the group, I strongly believe this is the best practice to continue and should not be moved to a state-run system.

Respectfully

Anthony Branco
Executive Administrator
Borough of Fountain Hill
610-867-0301
610-867-7153 Fax
[REDACTED]

Morabito, Mark

From: John J Finnigan Jr <[REDACTED]>
Sent: Tuesday, July 03, 2018 9:12 AM
To: Morabito, Mark
Cc: David L. Woglom [REDACTED] Rose M. Harr
Subject: FW: EIT Act 32
Importance: High

Mr. Morabito:

I would like to offer additional comments relative to maintaining the “status quo”.

The implementation of Act 32 has been very beneficial to all parties involved. Why build additional governmental bureaucracy when the current system is working extremely well. Leave well enough alone and don't try to fix a problem that doesn't exist. Among the many reason to maintain the status quo are:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet your needs

If you have any additional question, please feel free to contact me.

Regards,



John J. Finnigan, Jr.

Chairman, Northampton County Tax Collection Committee

Township Manager
Hanover Township - Northampton County
Phone: 610.866.1140, ext. 222
Fax: 610.758.9116

“A perfect republic can materialize only in a small jurisdiction such as a township. (They) have provided themselves the wisest invention ever devised by the wit of men for a perfect exercise of self-government and for its preservation” — Thomas Jefferson, 1816

Notice: This message and any attached file is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader is

not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete all copies of the original message. Thank you.

From: Woglom, David L. [REDACTED]
Sent: Monday, July 02, 2018 2:30 PM
To: [REDACTED]
Cc: Rose Harr; Ruch
Subject: EIT collection

Mr. Morabito:

Pursuant to our conversation today, on behalf of the Lehigh and Northampton TCCs, I want to let you know of the great pleasure we have all experienced with the implementation of Act 32. Costs are down and EIT revenues are up for all of the municipalities and school districts in both county areas. Both Keystone Collections and Berkheimer have done an excellent job for all of the municipalities and school districts.

Further, I would be very concerned over the practical results of the state taking over EIT collections in the future. With all that the state is involved in, I must question why any legislator would want to “fix” the collection of EIT when the system is not “broken”.

If you should need any additional input from either this email or the much longer phone conversation we had today, please don't hesitate to contact me.

David L. Woglom
Administrative Director
Northampton TCC
Lehigh TCC
610-330-5856

Morabito, Mark

From: Cathy Hartranft [REDACTED]
Sent: Tuesday, July 03, 2018 12:03 PM
To: Morabito, Mark
Cc: [REDACTED]
Subject: State wide collection of EIT

On behalf of the Borough of Hellertown, I want to let you know of the great success we have all experienced with the implementation of Act 32. The implementation of Act 32 has been very beneficial to all parties involved. Costs are down and EIT revenues are up for all of the municipalities and school districts in both county areas. Further, it is of great concern over the practical results of the state taking over EIT collections in the future. With all that the state is involved in, why any legislator would want to “fix” the collection of EIT when the system is not “broken”.

To reiterate Mr. Finnigan’s remarks:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet your needs

Cathy Hartranft
Borough Manager
Borough of Hellertown
685 Main Street
Hellertown, PA 18055
610-838-7041
www.hellertownborough.org

MEMORANDUM

To: The Pennsylvania Department of Revenue (Mr. Mark Morabito)

From: Kegel Kelin Almy & Lord LLP (Jason T. Confair, Esq.),
Solicitors for the Pennsylvania Association of School Business Officials, the Berks County Earned Income Tax Collection Bureau, the Chester County Tax Collection Committee, the Huntingdon County Tax Collection Committee, the Lancaster County Tax Collection Bureau, the Lebanon County Tax Collection Committee, the Mifflin County Tax Collection Committee, and the Susquehanna County Tax Collection Committee

Re: HR 291

Date: July 11, 2018

Act 32 Has Been Very Successful. As the Pennsylvania Legislative Budget and Finance Committee explained in its report on Act 32:

“Virtually everyone we spoke to, including municipalities, school districts, employer groups, CPAs, and others involved in EIT collections, reported that, after experiencing some initial implementation challenges, Act 32 has been successful in improving timeliness, and simplifying and increasing the amount of earned income taxes collected. While some offered suggestions for the General Assembly consider to improve the act, the most common recommendation was to use Act 32 as a model to modernize the collection of other local taxes, such as property taxes, local service taxes, and business privilege taxes.”

The Committee further concluded that the Act 32 collection system has generated an additional \$173 million in EIT revenues each year. Since full implementation of Act 32 in 2012, that adds up to \$1.038 billion in additional EIT revenues for Pennsylvania school districts and municipalities. That additional \$1.038 billion in revenue was generated solely by creating a more efficient EIT collection system, not by raising tax rates or expanding the tax base. Thus, the theoretical benefits of any potential change to the EIT collection system need to be evaluated against the real world benefits that have resulted from Act 32.

State Administration of PIT Will Require Substantial Change at the Department, Will Generate Substantial Expense, and Will Engender Substantial Political Opposition. EIT is a very different tax from PIT, and the Department’s study needs to account for the fact that taking on EIT collections at the Commonwealth level will require substantial change to the Department’s infrastructure and operations. Those changes will entail substantial cost. Differences between EIT and PIT include:

a. Different Rates. EIT is not a “flat tax” like PIT is. Rather, EIT rates fluctuate between the many thousands of jurisdictions that levy EIT. To administer EIT collection, the Department would need to be able to account for and administer all of those different EIT rates.

b. Different Tax Bases. EIT is assessed on only two categories of income that are included in PIT. In other words, unlike PIT where virtually every income source is subject to the tax, EIT is subject to many exceptions that the Department currently does not administer. *Cf.* 53 P.S. § 6924.501 *with* 72 P.S. § 7303.

c. Non-Resident EIT – A Whole New Animal. The Department currently does not administer anything that is conceptually similar to non-resident EIT. All income earned in Pennsylvania by non-residents is subject to the 3.07% flat PIT rate. At the local level, there are numerous non-resident tax issues that the Department currently does not deal with. For example, is a taxpayer even subject to a non-resident EIT? *See* 53 P.S. § 6924.501. If so, is the non-resident EIT rate greater than the taxpayer’s resident EIT rate or vice-versa? *See* 53 P.S. § 6924.512(a)(3). If the taxpayer is subject to a non-resident EIT and the non-resident EIT rate is higher than the resident EIT rate that applies to the taxpayer, how much of the taxpayer’s EIT payment must be distributed to the taxpayer’s resident jurisdictions and how much must be distributed to the non-resident jurisdiction? The Department does not currently have to contend with any of those issues.

d. Crediting. The PIT crediting scheme is relatively straight-forward. If a PA resident pays income tax to another state, the PA resident gets a credit against his PIT liability. By comparison, the EIT crediting scheme is very complex. Not only are there credits between tax imposed by various local jurisdictions that are complicated to administer, there are different “dominance” rules. *See* 53 P.S. § 6924.317. Specifically, resident EIT typically takes precedence over non-resident EIT – meaning resident EIT is credited against non-resident EIT and the jurisdiction of residence receives the revenue. However, for Philadelphia, the rule is reversed – meaning City wage tax is credited against resident EIT and the City receives the revenue. Currently, the Department does not administer an income tax crediting scheme that is as complicated or nuanced as the EIT crediting scheme.

e. Movement Between Local Jurisdictions. Another issue the Department will need to contend with if it administers EIT collections involves prorating tax between local jurisdictions when a taxpayer moves from one jurisdiction to another during the tax year. With PIT, it does not matter whether a taxpayer moves between local jurisdictions in Pennsylvania during the tax year because the PIT rate is the same regardless of which local jurisdiction the taxpayer lives in and also because the Commonwealth receives all of the tax paid by the taxpayer. With EIT, the situation is very different. When a taxpayer moves between local jurisdictions during the tax year, the different jurisdictions of residence are entitled to a pro rata share of the taxpayer’s EIT and the different jurisdictions may very well even have different EIT rates. 53 P.S. § 6924.502(b).

f. Distribution. Currently, the Department collects PIT and distributes it to one recipient – the Commonwealth. If the Department administers EIT, it will need to distribute to *thousands* of local jurisdictions – and those distributions will be subject to varying tax rates, non-resident rules, and tax crediting rules that the Department currently does not administer.

g. Reporting. EIT collectors typically distribute tax to school districts and municipalities on a weekly or monthly basis, and are required by statute to then provide each school district and municipality with a report summarizing monthly collection activity. 53 P.S. § 6924.509(b). The Department currently does not have any such reporting obligations, and the

administrative burden associated with having to provide reporting detail to thousands of jurisdictions at least 12 times per year will be very substantial.

h. Illustration. To understand the differences between administering PIT and EIT, take a very basic example. Assume Jane Smith lives in Smithfield School District and Smithfield Township, but works in Reed City and earns \$100,000 in the City each year. Further assume the combined EIT resident rate for Jane in Smithfield is 1.65%. Of that 1.65%, the School District is entitled to 0.9% by virtue of having a base 0.5% EIT levy and an “add-on” EIT levy of 0.4% under Act 1. The Township is entitled to the remaining 0.75% of the 1.65%, with 0.5% of that levy being base EIT and the remaining 0.25% being an add-on levy for open space preservation. Further assume that the non-resident rate in Reed City is 1.8%, with 1% being the base non-resident EIT levy and the other 0.8% being an add-on EIT levy because Reed City is a financially distressed municipality.

For the Department to administer PIT for Jane, it is very simple. Jane’s employer withholds \$3,070, remits it to the Department on a quarterly basis in equal installments of \$767.50, there are no tax crediting issues, and the Department distributes the tax to the Commonwealth.

Administering Jane’s EIT is far more complicated. Jane’s employer would withhold \$1,800 and remit it to the Department on a quarterly basis in \$450 installments. Each quarter, the Department would then need to use the EIT crediting rules to calculate how much of the \$450 payment is subject to distribution to Smithfield School District, to Smithfield Township, and to Reed City. The Department would then have to break up and distribute the \$450 in the proper amounts to each of those jurisdictions, with corresponding reporting detail. At the end of the tax year, Jane would then submit a return with varying EIT credit calculations that the Department would have to process.

This example could be substantially complicated by any number of factors. For example, if Jane is a professional who works out of different offices located in different municipalities, the non-resident EIT issues would become quite complicated. By way of further example, if Jane moves in the middle of the tax year from Smithfield Township to Brown Township, that would complicate things as well.

No Benefit From State Administration of EIT Can Be Discerned or Quantified. As noted above, the Act 32 model has proven extremely successful. Conversely, there is no evidence to suggest the theoretical benefits of state administration of the EIT will ever materialize. In fact, the evidence to date suggests that each of the rationales set forth in HR 291 for studying a move to state administration of EIT is faulty.

- HR 291 indicates that Department administration of EIT “could” eliminate “problems with coordination and inconsistency” among local collectors. There is no evidence of any such “problems.”

Currently, there are a total of 16 EIT collectors in Pennsylvania. Per Act 18 of 2018, all of those collectors must utilize the forms, regulations, and procedures and the auditing format promulgated by the Pennsylvania Department of Economic and Community Development.

As for coordination, there have been virtually no conflicts between Pennsylvania's 16 EIT collectors. In fact, the DCED program that was set up to mediate disputes between EIT collectors has *never been used*. See 53 P.S. § 6924.505(k).

- HR 291 also indicates that school districts and municipalities would be given “significant relief” if the Department administers EIT. That is unlikely. Statewide school district and municipal organizations strongly support Act 32 and the current EIT collection system. None of those organizations is seeking “relief” from the current system. Indeed, EIT collectors are controlled by and answer to school districts and municipalities, whether by virtue of being subject to certain contractual commitments or by being directly controlled by a board of school district and municipal representatives. School districts and municipalities have no control whatsoever over the Department.
- HR 291 indicates that the “cost” of having the Department collect EIT “could be more than offset by the elimination of the cost” of EIT collection “at the local level.” However, there is no empirical way to reliably determine if and how moving EIT collections to the Department would save any administrative costs. Indeed, how will the Department even gauge the cost of making all of the changes necessary to administer EIT and the corresponding rules that the Department has never had to administer? And, even if the Department is able to reliably gauge those costs, how will the costs be covered? Through a “commission” imposed on school districts and municipalities? At what rate? Through deducting actual expenses from tax receipts? If so, how would the Department calculate actual expense for each one of the thousands of Pennsylvania school districts and municipalities that levy EIT?

Truth is, it is equally as plausible that moving EIT collections to the Department would increase costs. Currently, EIT collection costs are controlled in two ways. For TCCs that have engaged a third-party to collect EIT under contract, free market competition between EIT collectors bidding for TCC business helps keep EIT collection commission rates low. For TCCs that collect EIT through a local government bureau, school district and municipal representatives on the bureau's board – almost all of whom are elected officials or answer directly to elected officials – have a vested interest in overseeing and implementing cost controls.

- HR 291 indicates that taxpayers would only have to file “one income tax return” if the Department administers EIT. That is unlikely. A return form that would allow consolidated filing of PIT and EIT would be very complicated – likely more complicated than having separate return forms – given the different tax rates, tax bases, non-resident rules, and crediting rules that apply to PIT and EIT.

There Are Far Easier Ways for the Department to Add Value to the EIT Collection Process.

In lieu of taking over and administering EIT from Harrisburg via Department restructuring, the Department could add additional value to the EIT collection process by taking one or more of the following easier and much cheaper steps:

1. Provide EIT collectors with employer PIT withholding information, in addition to individual taxpayer information.

2. Cut down on the 15 to 18 month lag between PIT return filing and providing EIT collectors with individual taxpayer data.
3. Further break down the net profits data that the Department shares with EIT collectors to segregate out earnings from s-corporations, which often are not subject to EIT.

Conclusion. The Act 32 system has proven very successful, adding \$1.038 billion to the “bottom line” for school districts and municipalities without increasing the tax burden on Pennsylvania’s citizens. Moving EIT collections to the Department of Revenue would require the Department to understand, master, and implement many new rules and requirements and to begin serving and reporting to thousands of local jurisdictions. There is no evidence to suggest that any benefit would materialize from tasking the Department with collecting EIT. Unlike under the Act 32 system, there would be no built-in cost controls through free market competition or direct local supervision if the Department were to administer EIT. In sum, Act 32 is working very well, the cost that would be associated with restructuring the Department to administer EIT is unlikely to generate any benefit at all, and state administration of EIT collection is likely to engender intense political opposition.



OFFICE OF THE MAYOR

Sherry L. Capello, Mayor

August 6, 2018

Hon. Francis X. Ryan
1044 E. Main Street
Palmyra, PA 17078

Dear Representative Ryan:

I am writing on behalf of my office and Lebanon City Council concerning HR-291. This study is evaluating moving oversight and control of our tax dollars to the Department of Revenue.

We express our strong opposition to vesting control over collection, distribution and administration of local tax dollars in Revenue. We are concerned that this change would decrease our revenues, create higher costs, and represent a loss of transparency and responsive service under a state-run system.

Please be aware, as emphasized by an overwhelming number of local tax collectors, that the local tax system is considerably more complex when compared to the Pennsylvania Income Tax system. The PIT has one taxing authority, one collector and one rate. The Act 32 system involves thousands of taxing authorities, a multiplicity of tax rates, additional commuter taxes, allocation of special funds for dedicated accounts (for Open Space, pension fund, Act 47, etc.), weekly disbursement of tax revenues, transparency and accountability to local authorities. There are also complex rules for credits on income taxes paid by Pennsylvania residents who work in other states that Revenue does not currently consider.

Despite what is arguably a steep learning curve, the study to abandon Act 32 and move to a statewide system is progressing quickly. Revenue plans to finish the "information gathering stage" **by the end of August**. Department of Revenue officials cite budget constraints as the reason they are not seeking input directly from municipalities and school districts. The study leader has offered to accommodate a conference call with the TCCs, should we request one.

In summary, we believe moving oversight and control of our tax dollars to the PIT will impact the following:

- Regular and frequent distribution of revenues
- Responsive service to individual taxpayers, municipalities and school districts
- Customized data and analyses of municipal and school district collection and demographics
- Cost of collection
- Fair and effective enforcement
- Transparency of the collection and distribution of tax revenues through independent audits



We are respectfully and strongly encouraging you to allow us to retain local control and administration of local tax revenues with our TCCs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. Capello". The signature is fluid and cursive, with the first letter 'S' being particularly large and stylized.

Sherry L. Capello

Mayor



LOWER WINDSOR TOWNSHIP

Board of Supervisors

2425 Craley Road
Wrightsville, Pa 17368
(717) 244-6813 Fax: (717) 244-0746
www.lowerwindsor.com

August 30, 2018

Mark Morabito, Special Assistant
PA Department of Revenue

Via Email: [REDACTED] v

RE: HR 291 of 2017
Feasibility Study for Statewide EIT Collection

Dear Mr. Morabito,

You are receiving this letter in reference to H.R. 291 of 2017 in which the Department of Revenue is to study the feasibility of statewide Earned Income Tax collection. We, the Board of Supervisor s of Lower Windsor Township express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32, and therefore oppose the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, and encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax. Please see enclosed Resolution 2018-13.

Respectfully,

Lower Windsor Township

Linda J. Zimmerman
Secretary-Treasurer

Enclosure

**LOWER WINDSOR TOWNSHIP
YORK COUNTY, PENNSYLVANIA
RESOLUTION NO. 2018 - 13**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF LOWER WINDSOR TOWNSHIP, YORK COUNTY, PENNSYLVANIA, THAT

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, the Board of Supervisors of Lower Windsor Township has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Lower Windsor Township has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

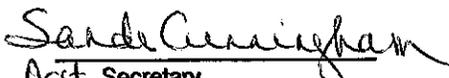
WHEREAS, the Board of Supervisors of Lower Windsor Township does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

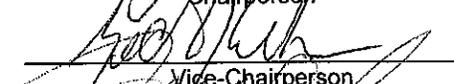
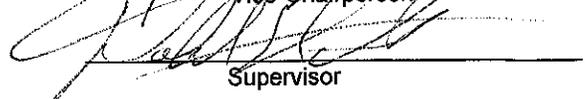
NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Supervisors of Lower Windsor Township, York County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that the Board of Supervisors of Lower Windsor Township is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Lower Windsor Township.

Duly Resolved and adopted on this 9th day of August, 2018.

ATTEST:

**Board of Supervisors
Lower Windsor Township**


Asst. Secretary


Chairperson

Vice-Chairperson

Supervisor

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 291 Session of 2017

INTRODUCED BY PEIFER, MAHER, MILLARD, DUNBAR, WARD, HEFFLEY, STAATS, DOWLING, PICKETT, WATSON AND BARBIN, APRIL 26, 2017

AS AMENDED, HOUSE OF REPRESENTATIVES, MARCH 14, 2018

A RESOLUTION

1 Directing the Department of Revenue, in consultation with the
2 Department of Community and Economic Development and the
3 Independent Fiscal Office WITH INPUT FROM COUNTIES,
4 MUNICIPALITIES AND SCHOOL DISTRICTS IN THIS COMMONWEALTH, to
5 commence a study to investigate the feasibility and potential
6 cost savings associated with the replacement of local earned
7 income tax collection methods by local taxing committees with
8 a Statewide collection method domiciled in the Department of
9 Revenue.

<--

10 WHEREAS, Act 32 of 2008 was signed into law on July 2, 2008,
11 to restructure the collection of local earned income taxes in
12 this Commonwealth by reducing the number of local earned income
13 tax collection districts from approximately 560 to 69; and

14 WHEREAS, The act, which took effect on a Statewide basis on
15 January 1, 2012, resulted in the establishment of a single tax
16 collection district in each county, with the exception of
17 Allegheny County, which established four tax collection
18 districts, and Philadelphia County, which was exempt from the
19 requirements of the act; and

20 WHEREAS, The Department of Community and Economic Development
21 was charged with developing uniform forms, notices, reports,

1 returns, schedules and codes for school districts,
2 municipalities and tax collection districts and maintaining
3 regulatory oversight of the act, but was not provided the time
4 nor the resources to support the multitude of issues that came
5 with the enactment of tax collection under the act; and

6 WHEREAS, The Pennsylvania Legislative Budget and Finance
7 Committee's report to the General Assembly in December 2016
8 indicated that: <--

9 ~~(1)~~ the act increased earned income tax collections by
10 an estimated \$173 million annually; and

11 ~~(2) inefficiencies continue to plague the local tax~~ <--
12 ~~collection process to the detriment of school districts and~~
13 ~~municipalities in this Commonwealth;~~

14 and

15 WHEREAS, INEFFICIENCIES CONTINUE TO PLAGUE THE LOCAL TAX <--
16 COLLECTION PROCESS TO THE DETRIMENT OF SCHOOL DISTRICTS AND
17 MUNICIPALITIES IN THIS COMMONWEALTH; AND

18 WHEREAS, Streamlining the current system with a State method
19 of collection of the local earned income tax could eliminate
20 problems with coordination and inconsistency among local tax
21 collectors; and

22 WHEREAS, State collection of local earned income taxes could
23 maximize the simplicity of collection and increase the
24 efficiency and fairness of the system while providing
25 significant relief to school districts, municipalities,
26 employers and tax preparers; and

27 WHEREAS, The cost of centralized tax administration could be
28 more than offset by the elimination of the cost of income tax
29 administration and collection at the local level; and

30 WHEREAS, The State collection of the earned income tax could

1 create the fairest and most efficient system for the taxpayers
2 in this Commonwealth; and

3 WHEREAS, The central administration of State and local income
4 taxes could provide for a more uniform tax administration and
5 customer service that results in the taxpayers in this
6 Commonwealth filing one income tax return; therefore be it

7 RESOLVED, That the House of Representatives direct the
8 Department of Revenue, in consultation with the Department of
9 Community and Economic Development and the Independent Fiscal
10 Office WITH INPUT FROM COUNTIES, MUNICIPALITIES AND SCHOOL <--
11 DISTRICTS IN THIS COMMONWEALTH, to commence a study to
12 investigate the feasibility and potential cost savings
13 associated with the replacement of local earned income tax
14 collection methods by local taxing committees with a Statewide
15 collection method domiciled in the Department of Revenue; and be
16 it further

17 RESOLVED, That the Department of Revenue furnish a report of
18 its findings and recommendations resulting from the study to the
19 chairperson and minority chairperson of the Finance Committee of
20 the Senate and the chairperson and minority chairperson of the
21 Finance Committee of the House of Representatives no later than
22 December 31, 2018; and be it further

23 RESOLVED, That copies of this resolution be transmitted to
24 the Department of Revenue, the Independent Fiscal Office, the
25 President pro tempore of the Senate and the Speaker of the House
26 of Representatives.

A RESOLUTION

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

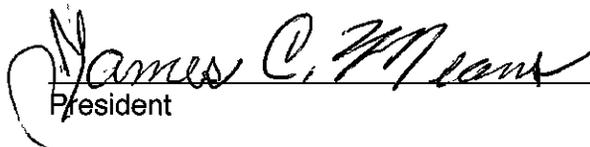
NOW, THEREFORE, be it resolved as follows:

1. The Fayette County Township Supervisors Association, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

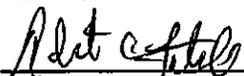
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 9th day of JULY, 2018.



President

ATTEST:



Secretary

A RESOLUTION 9-2018

Indicating Opposition to House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act

NOW, THEREFORE, be it resolved as follows:

1. The Board of the North Union Township Supervisors hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

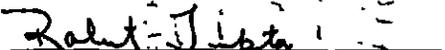
ADOPTED, this 10th day of July, 2018.

ATTESTED:


Donald McCue, Solicitor

North Union Township Supervisors


Ronald T. Landman, Jr., Chairman


Robert Tupta, Secretary


Curtis Matthews, Treasurer

RESOLUTION 2018-5

Indicating Opposition to House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008, and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act

NOW, THEREFORE, be it resolved as follows.

1 The Board of Supervisors of Connellsville Township, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2 Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 14th day of June, 2018.

Fayette County, Pennsylvania
Board of Supervisors of Connellsville Township,

BY: _____
Chairman, Todd Miner

BY: Robert M. Carson
Vice Chairman, Robert Carson

BY: Donald Hann
Supervisor, Donald Hann

ATTEST:

Darla Hann
Darla Hann, Secretary
(CORPORATE SEAL)

A RESOLUTION *3-2018*

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008, and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County, and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows.

1 The Board of Dunbar Township Supervisors, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3 Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official

ADOPTED, this 5th day of July, 2018.

Mark ... (TREASURER)
(Title)

ATTESTED:

Luann ...
(Secretary)



**WHARTON TOWNSHIP
RESOLUTION #04 OF 2018**

A RESOLUTION INDICATING OPPOSITION TO HOUSE RESOLUTION NO. 291 AND OPPOSING ANY CHANGES TO THE COLLECTION OF LOCAL EARNED INCOME TAXES IN THE COMMONWEALTH OF PENNSYLVANIA.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

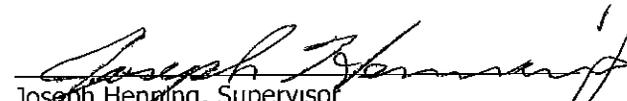
NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Supervisors of the Township of Wharton, as follows:

1. The Board of Supervisors of Wharton Township, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 02 day of July, 2018.

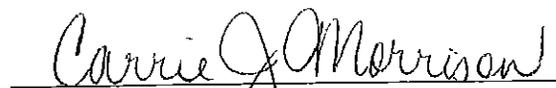

James C. Means, Chairman


John H. Lewis, Supervisor


Joseph Henning, Supervisor

(Seal)

ATTESTED:


Carrie J. Morrison, Secretary-Treasurer

A RESOLUTION

Indicating Opposition To House Resolution No 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008, and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows:

1. The Board of the *Nicholson Township* hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 5 day of July, 2018

John Black
(Title)

ATTESTED:

Richard J. [Signature]
(Secretary)

*Springhill TOWNSHIP
198 Lake Lynn Road
Lake Lynn, Pa. 15451
(724) 725-5294
FAX # (724) 725-0510*

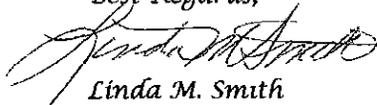
*Paul Medved Chairman
Frank Lisauckis
Mark Smith*

*Linda M. Smith
Secretary-Treasurer*

To whom it may concern:

*The Springhill Township Supervisors have reviewed the House Resolution No. 291 .
This Resolution will be on the regular monthly meeting agenda for July 19, 2018 .
The Board of Supervisors are in favor of keeping the collection of taxes the same with
no change.*

Best Regards,


*Linda M. Smith
Secretary-Treasurer*

**GEORGES TOWNSHIP
1151 TOWNSHIP DRIVE
UNIONTOWN, PA. 15401
(724) 564-9715
FAX # (724) 564-1424**

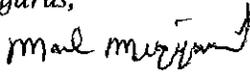
*Mark Migyanko, Chairman
Darrell Trifiro
John J. Hicks*

*Linda M. Smith
Shilo D. Craggette
Secretary-Treasurer*

To whom it may concern:

*The Georges Township Supervisors have reviewed the House Resolution No. 291 .
This Resolution will be on the regular monthly meeting agenda for July 10, 2018 .
The Board of Supervisors are in favor of keeping the collection of taxes the same with
no change.*

Best Regards,



Mark Migyanko, Chairman

RESOLUTION 2018-07-09

Indicating Opposition to House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008, and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County, and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth, and,

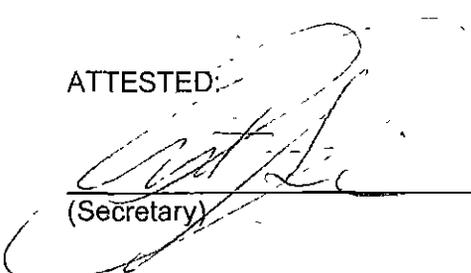
WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

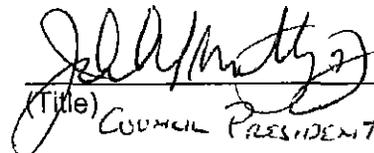
NOW, THEREFORE, be it resolved as follows:

1. The Council of Newell Borough, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 9 day of July, 2018.

ATTESTED:


(Secretary)


(Title) COUNCIL PRESIDENT

RESOLUTION 1-7-18

Indicating Opposition to House Resolution No 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows:

1. The Franklin Township Board of Supervisors, hereby indicates its opposition to House Resolution No 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

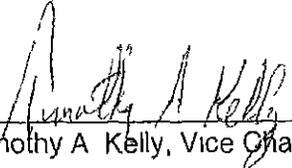
ADOPTED, this 5th day of July, 2018.

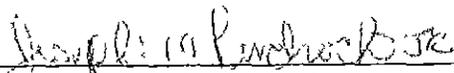
ATTEST:


Janet W. Guthrie, Assistant Secretary

Franklin Township Board of Supervisors


W. Thomas McCracken, Chairman


Timothy A. Kelly, Vice Chairman


Joseph M. Pindrock, Jr., Secretary

A RESOLUTION *3-2018*

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows.

1. The Board of Dunbar Township Supervisors, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

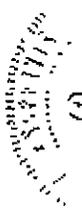
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official

ADOPTED, this *5th* day of *July*, 2018.

Keith ... (TREASURER)
(Title)

ATTESTED:

Lucas ...
(Secretary)



A RESOLUTION

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County, and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

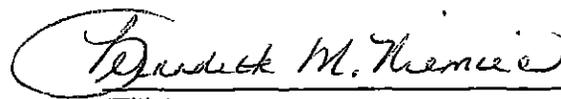
NOW, THEREFORE, be it resolved as follows:

1 The Board of the Southwest Regional Tax Bureau, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

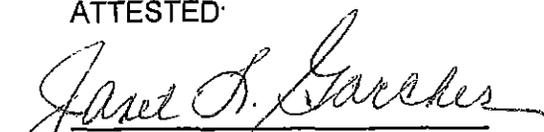
2 Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 20th day of June, 2018.


(Title)

ATTESTED


(Secretary)

A RESOLUTION

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows:

1. The Board of Bullskin Twp Supervisors hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 27th day of June, 2018.

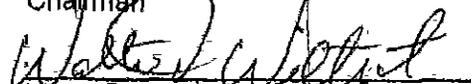
ATTESTED:



(Secretary)



Chairman



Vice Chairman



Supervisor

Brownsville Township Road District

232 Brown Street, Brownsville, PA 15417

phone/fax: 724-785-2646

Chairman
HOMER L. YEARDIE

Vice-Chairman
RONALD M. ZUPIC

Secretary/Treasurer
THOMAS S. BARRY

Solicitor
ANTHONY S. DEDOLA JR.

Clerk
SUSAN L. MOSKAL

RESOLUTION

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

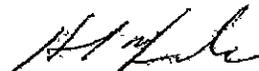
NOW, THEREFORE, be it resolved as follows:

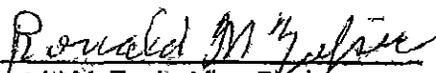
1. The Board of the Brownsville Township Supervisors, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 2nd day of July, 2018.

ATTESTED:


Susan L. Moskal, Board Clerk


Homer L. Yeardie, Chairman


Ronald M. Zupic, Vice-Chairman


Thomas S. Barry, Secretary/Treasurer

RESOLUTION 04-07-2018

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows:

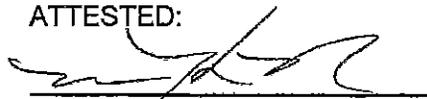
1. The Board of Supervisors of Saltlick Township, Fayette County, Pennsylvania, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 3rd day of July, 2018.

ATTESTED:


Secretary / Treasurer

Chairman


Vice Chairman


Supervisor

RESOLUTION—1-2018

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008, and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County, and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

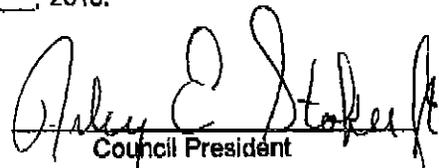
NOW, THEREFORE, be it resolved as follows.

1. Smithfield Borough Council hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2 Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3 Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 19th day of June, 2018.


Council President

ATTESTED.


Secretary/Treasurer/Manager

**WHARTON TOWNSHIP
RESOLUTION #04 OF 2018**

A RESOLUTION INDICATING OPPOSITION TO HOUSE RESOLUTION NO. 291 AND OPPOSING ANY CHANGES TO THE COLLECTION OF LOCAL EARNED INCOME TAXES IN THE COMMONWEALTH OF PENNSYLVANIA.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

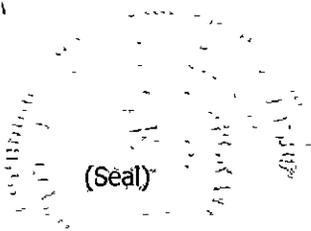
WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Supervisors of the Township of Wharton, as follows:

1. The Board of Supervisors of Wharton Township, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 02 day of July, 2018.



James C. Means
James C. Means, Chairman

John H. Lewis
John H. Lewis, Supervisor

Joseph Henning
Joseph Henning, Supervisor

ATTESTED:

Carrie J. Morrison
Carrie J. Morrison, Secretary-Treasurer

A RESOLUTION

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows:

1. The South Union Township Board of Supervisors, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

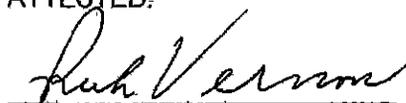
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 3rd day of July, 2018.


(Title) Chairman

ATTESTED:


(Secretary)

Perry Township, Fayette County.
A RESOLUTION # 4 of 2018

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008, and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County, and,

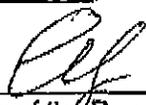
WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows:

1. The Board of Supervisors of Perry Township, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 3rd day of July, 2018.


Chairman of the Board of Supervisors,

*Perry Township
Fayette County*

ATTEST:


Secretary

A RESOLUTION # 18-4

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act

NOW, THEREFORE, be it resolved as follows.

1 The Board of Supervisors of Luzerne Township, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official

ADOPTED, this 10th day of July, 2018.

T. Paul Supervisor Hoffmiller
(Title)

ATTESTED:

Sheryl L. D'Amico
(Secretary)

A RESOLUTION

Indicating Opposition To House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

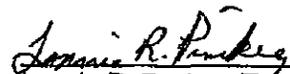
NOW, THEREFORE, be it resolved as follows:

1. The Stewart Township Board of Supervisors, hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 32 of 2008.

2 Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.

3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative or official.

ADOPTED, this 9th day of July, 2018.


Lonnie R. Prinkey, Township Supervisor

ATTESTED:


Pamela Kessler, Township Supervisor/Secretary



Lower Tyrone Township
456 Banning Road
Dawson PA 15428

Phone: 724-529-2810

FAX 724-529-2281

July 10, 2018

To Whom It May Concern:

The Lower Tyrone Township Supervisors have reviewed your letter and it will be on our agenda scheduled for Wednesday, July 11, 2018.

We are in favor of keeping SWRTB as our tax collector with no change.

Sean Ferris, Chairman
John Anderson, Supervisor
Dennis Davis, Supervisor

Thank you!

June Murtland
Secretary
Lower Tyrone Township
[Redacted] et
724-529-2810 or FAX 724-529-2281

JUST HARVEST
Education Fund
16 Terminal Way
Pittsburgh, Pennsylvania 15219
p 412 431 8960 f 412 431 8966

justharvest.org



October 19, 2018

PA Department of Revenue:

I am writing in response to your current study of the local earned income tax collection process.

Just Harvest operates four Volunteer Income Tax Assistance (VITA) sites in Allegheny County and has completed tax returns for nearly 32,000 low income taxpayers over the past 16 years. Based on this experience, we feel that collection of the local earned income tax (EIT) with the Pennsylvania return would simplify the filing process for taxpayers and increase compliance with filing the return.

Simplify filing process: In Allegheny County, we currently have four tax collection districts and 135 Political Subdivisions. The reduction of collection districts and resulting uniform EIT form in 2008 was extremely helpful in ensuring that we were able to help taxpayers find and file the correct form to the correct location. However, challenges still remain. Taxpayers must complete the form and attach PA schedules when they apply (PA-UE, PA-C, PA W2-S). They must also locate the correct Political Subdivision Code and tax rate.

All of the information needed for the return is obtained from the PA return (income and deductions) or the PA Department of Community and Economic Development (PSD code and rate). Adding a line or form to the PA return and e-filing the entire package to PA would eliminate the need to complete an additional form on paper or on a separate website. Many taxpayers are using tax software to complete their tax returns, and while most of those will complete both the federal and state return, none will complete the local return.

Combining the PA and local return would also ensure that the correct income is included on the local taxes, reducing the need to match local and PA returns for accuracy after filing. The only information that would need to be added is the dates at each address if the taxpayer moved during the year. If a taxpayer owes local EIT or is due a refund, that amount would be added into their PA refund or debt and only one check would need to be sent.

Increase compliance: Most, but not all taxpayers receive a local tax form in the mail with instructions for filing by paper or online. While the form is relatively simple, I suspect most of our taxpayers would not file it if we weren't completing it for them. Some would not understand the directions and more would not realize its importance.

Adding local taxes to the PA return would ensure that everyone filing a PA return would also pay their local Earned Income Tax. The requirement that employers withhold local taxes in 2008 significantly reduced the number of taxpayers who owed local EIT at tax time, but there are still some exceptions to withholding and payments to the wrong municipality, potentially at the

wrong rate. Ensuring each municipality collects all of the EIT owed would allow our local municipalities and school districts to better meet the daily needs of their citizens.

At our VITA sites, I know a change to collecting local EIT on the PA tax return would save us significant time and paper supplies. It would also increase the accuracy of the local returns filed because the data wouldn't be entered separately on a new form. These improvements would also be true for individual taxpayers.

I appreciate this opportunity to share our support for collection local EIT on the Pennsylvania return. Please contact me if you have any additional questions about our experience completing local returns for low income taxpayers.

Sincerely,

Kristie Weiland Stagno

Tax Campaign Coordinator

Morabito, Mark

From: John DeRemer [REDACTED]
Sent: Friday, June 29, 2018 2:30 PM
To: Morabito, Mark
Subject: FW: Act 32 Consolidation

Hi Mark,

I wanted to forward a comment that we received... I'm assuming that you would like to see these so you can include them in the study? Have a nice weekend!

-John

From: Peggy Gillespie [REDACTED]
Date: Friday, June 29, 2018 at 9:02 AM
To: John DeRemer [REDACTED]
Subject: Act 32 Consolidation

Good Morning - I just read the information sent to the Westmoreland County Tax Collection Commission regarding the state's study of a takeover of the earned income collections.

When Act 32 came about, if I recall, the State refused to handle the collections and left the local governments to implement the consolidation requirement.

To call it a success does not do justice to the current process - local EIT collections are strong, have improved so significantly, funds flow back to the taxing entities on a timely basis and there are so fewer complaints! Our costs to collect EIT have never been lower while collections higher!

The last thing the State needs to do is to change a successful system.

--
Peggy Gillespie
Business Manager
Kiski Area School District

William L. Brown

Certified Public Accountant
1107 Shepherd Lane
New Castle, PA 16101-3253
(724) 654-6594

June 30, 2018

Mark Morabito
Special Assistant to the Deputy Secretary
PA Department of Revenue

Dear Mr. Morabito:

I am writing to express opinions on the proposal to have the DOR collect EIT on a central basis as part of the PA-40 or by any other method. I am the Vice-Chairman of the Lawrence County TCD and have been since inception. In addition, I am a CPA and have been preparing taxes for over 46 years.

The current system implemented by Act 32 is operating well. It has been refined over the past years with technical corrections at the state level, the collectors are operating smoothly, and preparers and the public have adjusted to the system. Most importantly, collections are up substantially from pre Act 32 days in most areas, speed of cash flow is greatly improved to the schools and municipalities, and all parties are comfortable, adjusted to, and satisfied with the system. Much time and effort has gone into making this work well by countless parties across the Commonwealth.

To disrupt this system after less than 10 years of it being in effect would be a disservice to all involved. It would be years before it was back on track, and substantial doubt exists as to whether it could ever be as good as now when done at the state level. Currently, the local TCDs control who the collector is, and there exists a close relationship between the parties for resolution of issues. By putting the collection in the hands of privately owned, for profit companies, incentive exists for them to perform in the best interests of all parties and maintain good communications, responsiveness, and a non-adversarial co-existence.

We are strongly opposed to any change to the current Act 32 collection method. Our TCD Executive Committee is comprised of leaders in government, the private sector, and school districts, and we see the benefits of Act 32 in all of these areas. There are a multitude of positive reasons for keeping the current system in place. As trite as the saying may be: "If it ain't broke, don't fix it!"

Sincerely,

William L Brown, CPA, Vice Chair, Lawrence Co. TCD
Joseph Ambrosini, Chairman
Richard Zarone, Secretary

Lackawanna County

Association of Boroughs

Thomas K. Gallagher – Mayfield Council
President

Phyllis Jaskowiec – Mayfield Secretary
Secretary/Treasurer

Patrick Williams – Clarks Summit Council
Vice President

Jeffrey R. Kovalski - Dickson City Council
PSAB Representative

Alexander J. Chelik, Mayfield Mayor
Resolutions Committee Chairman

Resolution 2018-1

Whereas, House Resolution 291 of 2017 (Printer's No. 3173) directs the Department of Revenue and others to undertake a study of replacing the current local earned income tax collection with a statewide collection system domiciled in the Department of Revenue; and

Whereas, the above mentioned resolution requires consideration of input from counties, municipalities, and school districts; and

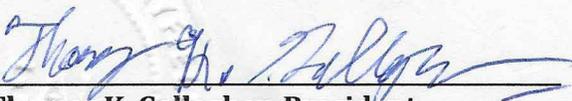
Whereas, the Lackawanna County Association of Boroughs (LCAB) fully supports the collection of the Earned Income Tax (EIT) by the county tax collection agencies as authorized by Act 32 of 2008; and

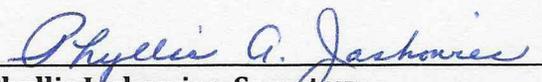
Whereas, the Act 32 collections of the EIT is working well, collections are up and costs down, there is frequency and accuracy of the distributions, there is a high level of personal service for both the PSDs and Taxpayers/Employers, and transferring the collection to the Department of Revenue of the Commonwealth of Pennsylvania would result in a loss of local control and would remove the advantages of a competitive marketplace; and

Whereas, the current system of collection by county tax collection committees have met the objectives of Act 32 consolidation (increased revenues, lower costs, higher collection standards, reduced employer burden), while maintaining local control; and

Whereas, by all accounts Act 32 has been a resounding success;

Now Therefore Be It Resolved that the LCAB is opposed to the General Assembly transferring the collection of the EIT from the local county collection committees as set up by Act 32 to the Department of Revenue of the Commonwealth of Pennsylvania.


Thomas K. Gallagher, President


Phyllis Jaskowiec, Secretary

September 20, 2018

**A Resolution
By the Board of Directors of the
Lebanon School District**

**In Support of Current Earned Income Tax Collections, As Defined By Act 32
And
In Opposition to Legislative Initiatives to Mandate Centralized Services**

WHEREAS, the Board of Directors of the Lebanon County Tax Collection Committee (LCTCC) have been authorized under Act 32 to oversee the collection and distribution of Earned Income Taxes (EIT) for all taxing authorities in Lebanon County; and

WHEREAS, the LCTCC is responsible to monitor, audit and evaluate each aspect of the process; and

WHEREAS, the LCTCC is authorized to establish the most cost-effective, efficient method to collect and distribute EIT revenue on behalf of all Lebanon County Taxing authorities; and

WHEREAS, the LCTCC has experienced unparalleled revenue growth and efficiency since the adoption of PA Act 32 in 2009, and exemplary service and value working with its current collections contractor, and

WHEREAS, the LCTCC values its ability to choose its own contractor for daily/operational services, to ensure the highest degree of accuracy, efficiency and value for the taxpayers of Lebanon County; and

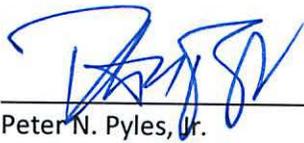
WHEREAS, the LCTCC is aware of an initiative (HR 291) which was endorsed by the PA House of Representatives to study and explore a proposal to consolidate these services on behalf of all counties in the Commonwealth of PA, specifically through an agency such as the PA Department of Revenue.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Lebanon School District hereby lends its support to maintain all current policies and procedures related to EIT collections/distributions as defined by Act 32.

BE IT FURTHER RESOLVED that the Board of Directors of the Lebanon School District oppose any legislative initiatives to consolidate EIT services through any central agency at the state level. Additionally, we encourage our LCTCC representatives to work with all local, state agencies and private contractors, to explore any and all options to improve or enhance current methodology for EIT collection/distribution and to avail themselves for discussions that might offer improvements.

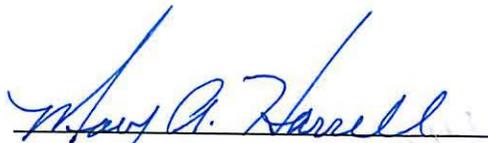
Adopted this 17th day of September, 2018.

Signed,



Peter N. Pyles, Jr.

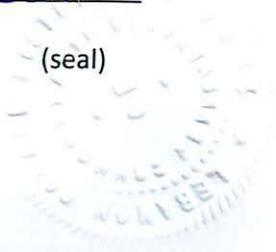
Board President



Mary A. Harrell

Board Secretary

(seal)



Morabito, Mark

From: Alice Rehrig [REDACTED]
Sent: Tuesday, July 10, 2018 1:06 PM
To: Morabito, Mark
Subject: statewide collection of EIT

Mr. Morabito:

As the Manager of Lehigh Township, Northampton County, I want to express my concern in having the state assume the collection and disbursement of local earned tax.

The implementation of Act 32 has been very beneficial to all parties involved and the current system is working extremely well. It is crucial that our communities maintain local control and oversight of these tax revenues, adding a level of bureaucracy would only lead to complications to the system that is not welcomed. With our municipality having five zip codes, three of which are shared with other municipalities, accurate tracking and monitoring of EIT revenues is crucial. Lehigh Township is not alone in this situation. Having a local agency who is familiar with the intricacies of the addresses involved is important for the property distribution of the tax which is our primary source of revenue.

The present benefits of the system currently in place include:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet our needs

As a community these benefits have enabled us to receive, budget and account for the revenues in a most efficient manner. I strongly believe this is the best practice to continue and should not be moved to a state-run system.

Alice Rehrig
Manager
Lehigh Township
1069 Municipal Road
Walnutport, Pa. 18088
610-767-6771

ERECTED INTO A TOWNSHIP IN 1733
TOWNSHIP OF WORCESTER
AT THE CENTER POINT OF MONTGOMERY COUNTY
PENNSYLVANIA

1721 Valley Forge Road
Post Office Box 767
Worcester, PA 19490

July 11, 2018

Sandra Kassel, Chair
Montgomery County Tax Collection Committee
719 Dresher Road
Horsham, PA 19044-2205

RE: **H.R. 291 of 2018**

Dear Ms. Kassel,

While all appreciate the State Legislature's efforts to improve the services provided by our government, Worcester Township believes a statewide consolidation of local tax collection systems will not benefit the Commonwealth's residents. And in the coming weeks local officials will surely comment on the many reasons they believe this to be so, including the loss of weekly distributions, 24-hour access to tax data, and in-house technologies tailored to the needs of our municipalities and school districts.

In this letter, however, I wish to highlight another potential loss should a statewide consolidation of local tax collection systems be established – the loss of the higher-quality customer service local officials and residents now receive from our appointed contractors. Consider the following example...

In April 2017 Worcester Township became the first municipality in Pennsylvania to adopt an earned income tax credit for its volunteer firefighters under Act 172 of 2016. In uncharted waters, the Township turned to Berkheimer for help to develop the needed enabling ordinance, and for detailed information on the tax credit for our volunteer firefighters. Berkheimer then prepared an easy-to-use tax exemption certificate for the volunteers firefighters to file with their tax returns, and took the time to answer questions from individual volunteers come tax time.

Berkheimer's counsel in this matter was invaluable, and their assistance helped the Township to help its volunteer firefighters. And helping volunteer firefighters is one of the most important things we can do today, because volunteer fire departments save Pennsylvania taxpayers an estimated \$6.5 billion each year, and because volunteer firefighters are family, friends and neighbors who put themselves in harm's way to protect others.

I thank you for your consideration of our concerns regarding a statewide consolidation of local tax collection systems. Please contact me at the below number should you have any questions, require additional information or if I can be of further assistance.

Sincerely,



Tommy Ryan.
Township Manager.

cc: Board of Supervisors
Jim Hunt, Berkheimer

BOARD OF SUPERVISORS
EAST GOSHEN TOWNSHIP
CHESTER COUNTY
1580 PAOLI PIKE, WEST CHESTER, PA 19380-6199

July 9, 2018

Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Harrisburg PA

Re: House Resolution No. 291 of 2017

Dear Mr. Morabito:

The Chester Tax Collection Committee has advised us that the Department of Revenue in consultation with the Department of Community and Economic Development (DECD) has been directed to determine feasibility of having the Department of Revenue collect the earned income tax. The Board discussed this at our meeting on July 3rd and some of our members are vehemently opposed to having the state involved with the collection of the earned income tax.

Pursuant to Act 32 of 2008, the municipalities in Chester County created the Chester Tax Collection Committee (Committee). The Committee solicited proposals for collection of the earned income tax and local services tax, and they ultimately selected Keystone Collections Group to collect these taxes.

Keystone does a good job of collecting these taxes; however, in the event that their level of service declines, the Committee can cancel the contract and solicit proposals from a new vendor. In addition the Committee also has the ability to negotiate the cost for collection services.

One of the questions that need to be addressed in this study is, "How much would the Department charge for these services?". This initiative would require the Department to invest in additional staffing, equipment and facilities, the cost for which would have to be passed along to the municipalities.

In the alternative, we would suggest that municipalities be allowed to enter into contracts with the Department of Revenue for these collections services. A municipality could solicit proposals from both the private sector and the Department of Revenue for collection services. If it was more cost effective to have the Department of Revenue collect these taxes and/or the service was better, I would expect that municipalities would use the Department.

It is also worth noting that as stated in Resolution 291, Act 32 of 2008; the Department of Community Affairs and Economic Development was charged with developing “uniform forms, notices, reports, returns, schedules and codes for school districts, municipalities, and tax collection districts and maintaining regulatory oversight of the act, but was not provided the time or resources to support the multitude of issues that came with the enactment of tax collection under the act”.

The Resolution goes on to say that “INEFFICIENCIES CONTINUE TO PLAGUE THE LOCAL TAX COLLECTION PROCESS”. We would suggest that this report also look at why the Department of Community Affairs and Economic Development did not meet their obligations under Act 32, and determine when the Department will be developing the required forms, notices, etc.

Perhaps, if DCED had met its obligations, the earned income tax collections would have increased more than the estimated \$173,000,000.

To my knowledge Chester County and the other counties across the Commonwealth met their obligations under Act 32. If the Department of Community Affairs and Economic Development had met their obligations under the Act, perhaps it would not have been necessary to incur the cost to undertake this study.

With all due respect we would suggest that the House provide the resources needed for the Department of Community Affairs and Economic Development to meet its obligations under Act 32, before it considers expanding the role of the Department of Revenue.

Sincerely,

A handwritten signature in cursive script that reads "E. Martin Shane".

E. Martin Shane
Chairman



Gettysburg
HISTORIC CROSSROADS

Borough of Gettysburg
Adams County, Pennsylvania
59 East High Street
Gettysburg, PA 17325

Theodore H. Streeter – Mayor
Susan C. Naugle - Council President
Jacob W. Schindel - Council Vice President

Charles R. Gable - Borough Manager
Sara L. Stull - Borough Secretary
Harold A. Eastman, Jr. - Solicitor

Telephone: (717) 334-1160
FAX: (717) 334-7258
www.gettysburg-pa.gov

August 13, 2018

MARK MORABITO, SPECIAL ASSISTANT
PA DEPARTMENT OF REVENUE
Via Email: [REDACTED]

RE: House Resolution 291 of 2017 - Feasibility Study for Statewide EIT Collection

Mr. Morabito:

The York Adams Tax Bureau (YATB) has advised us that the Department of Revenue in consultation with the Department of Community and Economic Development is determining the feasibility of having the Department of Revenue collect the earned income tax (EIT). We are writing this letter to express our opposition to the loss of local control via state collection of EIT.

The Tax Collection Committees of Adams and York Counties have worked together to create, maintain and oversee the York Adams Tax Bureau prior to, and as a result of, ACT 32 of 2008. The TCC's have invested substantial government funds in buildings, computers, programming, scanning technology, developing an online filing portal, office equipment and training personnel and have created an excellent program. Moving collection to the state level would only serve to squander the time and money that the TCC's have invested in this successful endeavor.

As a YATB member taxing authority, the Borough of Gettysburg (Borough) is able to exercise local control of the budget and day-to-day operations of the bureau, which has resulted in greater efficiency, lower collection costs and a superior level of service. The contract the member taxing authorities have with the YATB caps the collection fees at 2%. We currently pay 1.85%, but since we receive a pro-rata refund of any operating fund revenue, our actual fees have averaged only 1.445% over the past few years. Seeing the impeccable service and consistent results achieved by YATB, the Borough switched to YATB for the delinquent Per Capita and Occupation in 2015. Our collections have doubled annually and it also allows us to keep our tax rolls updated. We believe that the Department of Revenue is too large of an organization to provide the same kind of personalized, high-level and efficient services provided by YATB both to the local entities and the taxpayers at the same low cost we currently experience.

We have many other questions and concerns regarding statewide collections of EIT – EIT funds are critical to maintain local services, especially in the beginning of the year before real estate tax revenue is collected. Will the funds still be distributed in a timely manner? What happens when there is a budget impasse at the

state level? Will those critical funds be held hostage by partisan politics and employee furloughs? How will the state deal with prorating taxes between districts when a taxpayer moves during the year? Will there be adequate staffing and staff training? Will municipalities and local residents with questions regarding EIT be receive a quick response, as they do now? EIT tax collection is a complex process and we have many questions, too numerous to list here.

We have been told that this study is not the result of any issues or problems that any local entity is having with EIT collection. If this is in fact the case, what is the impetus for the study? Time and money are limited and precious resources at all levels. Why expend the resources on a study to fix something that is not broken?

Perhaps the most important question that remains is what is the benefit to municipalities and school districts if the state handles EIT collection? Act 511 provided local governments and school districts the mechanism and authority to raise and collect revenue necessary to provide critical services and education.

We respectfully request that you please leave that authority where it was originally intended.

Sincerely

A handwritten signature in blue ink that reads "Susan Naugle". The signature is written in a cursive, flowing style.

Susan Naugle, President
Borough Council of the Borough of Gettysburg

Enclosures: Resolution No. 081318

CC:

Governor Tom Wolfe
Senator Richard Alloway
Representative Dan Moul
Representative Will Tallman
Representative Michael Peifer

RESOLUTION NO. 081318

Resolution of the Borough Council of the Borough of Gettysburg, Adams County, Pennsylvania

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, the Borough Council of the Borough of Gettysburg have had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to the Borough of Gettysburg; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

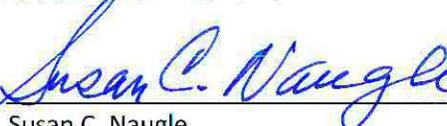
WHEREAS, the Borough Council of the Borough of Gettysburg does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Borough Council of the Borough of Gettysburg, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32.

AND, IT IS HEREBY FURTHER RESOLVED that the Borough Council of the Borough of Gettysburg is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of the Borough of Gettysburg.

This Resolution Duly Adopted according to law on this 13th day of August, 2018 at duly advertised general monthly business meeting of the Borough Council of the Borough of Gettysburg, Adams County, Pennsylvania.

BOROUGH OF GETTYSBURG

By: 
Susan C. Naugle
President of Borough Council

Attest:


Sara L. Stull, Borough Secretary

SEAL

York County
Tax Collection Committee
1405 N. Duke St.
PO Box 15627
York, PA 17405-0156
Phone (717) 845-1584
Fax (717) 854-6376

Adams County
Tax Collection Committee
240 West Street
PO Box 4374
Gettysburg, PA 17325
Phone (717) 334-4000
Fax (717) 337-2565

December 12, 2018

MARK MORABITO, SPECIAL ASSISTANT
PA DEPARTMENT OF REVENUE
Via Email: [REDACTED]

RE: House Resolution 291 of 2017
Feasibility Study for Statewide EIT Collection

Mr. Morabito:

The York Adams Tax Bureau (YATB) has existed as an example of municipal intergovernmental cooperation since the passage of Act 511 in 1965. Long prior to the mandate to consolidate local EIT collection by the passage of Act 32 in 2008, YATB had grown to include nearly all the municipalities and school districts of York and Adams Counties. Today YATB is the only joint tax collection bureau in the state, and the Adams and York County Tax Collection Committees enjoy a level of tax collection efficiency and service that we believe is unsurpassed. The provisions of Act 32 have served to refine the earned income tax collection and distribution process, improving oversight and simplifying individual and employer compliance with the law. The end result for the YATB member taxing authorities has been a steady increase in tax revenue. In addition, YATB members also exercise local control and participate in the day-to-day operations of the Bureau, and enjoy a level of responsiveness commensurate with long-term professional relationships with YATB staff.

The Tax Collection Committees of Adams and York Counties have worked together to create, maintain and oversee the York Adams Tax Bureau prior to and as a result of ACT 32 of 2008. The TCC's have invested substantial government funds in buildings, computers, programming, scanning technology, developing an online filing portal, office equipment and training personnel (currently 44 employees, all of whom live in York or Adams County). We believe that ACT 32 has been very successful and has resulted in greater revenues for our municipalities and school districts as well as others across the Commonwealth.

YATB also serves its membership by the collection of other Act 511 taxes besides EIT. The Bureau collects Local Services Tax, Delinquent Per Capita, Occupation and Fire Taxes, Admissions Tax, Mercantile/Business Privilege Tax as well as Real Estate Tax for the Borough of Railroad. The Bureau also functions as the per capita tax enumerator for York County. YATB strives to provide a high level of service to its membership, offering a "one stop shop" for all local tax collection needs. YATB employees care about what happens in their resident municipalities and school districts. YATB also strives to maintain a customer-oriented approach to taxpayers, both individuals and employers, because local tax collection is a public service which impacts our communities.

YATB operating fund revenue obtained through other tax collection services reduces the overall EIT collection cost for its TCC membership. From 2012 through 2017, YATB charged a 2% collection fee to its membership, and refunded any excess collection fees following the annual audit. The fee was reduced to 1.85% for tax year 2018. In 2017, the Bureau's audited actual net collection cost for its membership was 1.371%. Each year since 2012 the TCC members have received a refund of excess operating fund revenue, prorated according to their share of overall distributions. There are no additional hidden costs to the TCC members. Bureau membership also relies on YATB for annual budget and revenue projection and reporting.

Act 32 has been a great success in York and Adams County. Here are a few statistics to consider:

- EIT revenue has increased 36.4% for York and Adams County from 2012 through 2017.
- EIT revenue increased 7.14% from 2016 to 2017.
- The York and Adams TCC members pay a 1.85% collection fee for EIT collection.
- Actual collection rate for 2017 was 1.371% (excess fees were refunded to members).
- 9,171 taxpayers visited our offices in 2017.

YATB maintains an online filing system for employers and individuals, www.palite.org, which has greatly accelerated our ability to process the massive volume of tax withholding information required under Act 32, and facilitates the distribution of tax to its membership or other collectors within thirty days of receipt. Our tax software is a highly-developed, locally-designed system written by Business Information Group (BIG). The system includes many features, not the least of which is a house number/street database of York and Adams Counties which enables YATB staff to precisely code taxpayers for distribution purposes based on their municipality of residence.

In light of YATB's long history of service to the TCC's of York and Adams County, the TCC membership has great concerns about any proposal for statewide collection of EIT by the Department of Revenue. Adams and York TCC members are overwhelmingly opposed to statewide collection of EIT. Our members do not believe the DOR can provide better service to them or their constituents. It is not a foregone conclusion that the DOR could be more cost-efficient in EIT collections, and the TCC's have grave concerns that money collected would be distributed in the same time frame and with the same accuracy as currently. We believe that the York and Adams TCC's, working together with YATB, will do a better job for our communities and their taxpayers. The TCC's believe Act 32 has been a success and did provide much-needed standards to effectively collect EIT. We would welcome any discussion that would improve or establish additional standards for EIT collection and distribution, but it is the belief of the York and Adams Tax Collection Committees that statewide collection of EIT would be detrimental to our communities and the local tax collection process.

The following is a list of concerns which we believe the feasibility study should address. The TCC's of Adams and York Counties respectfully request that the Department and the General Assembly consider these concerns carefully:

Benefits of Local Collection

- Local collection provides intrinsic value which encourages local government cooperation
- Local collection provides resources to municipalities and school districts for budgeting and planning purposes
- Taxpayers have access to a local office for questions, filing and assistance
- Local collectors can quickly and accurately maintain tax rolls, taxpayer addresses and residency information to ensure accurate tax distribution
- Local taxing authorities have access to the collector for immediate response to questions and concerns
- Local collectors can more efficiently engage in compliance efforts to ensure taxes are filed and paid on a timely basis
- Local collectors follow the policies established by the TCC regarding collection efforts, payment plans and circumstances where penalty and/or interest may be waived.
- Local collectors serve and represent the TCC's member taxing authorities, insuring that tax collection is done according to the will of the governing body and Act 32
- Infrastructure currently exists in place for continued local collection

Concerns Regarding Statewide Collection of EIT

- How much will the state charge for collections?
- Will EIT revenue be distributed within 30 days as required by Act 32?
- How will the state maintain accurate residency information and update records when new development occurs in local taxing districts?
- How will The DOR correctly prorate the taxes between PSD codes when a taxpayer moves during the year?
- How will the Commonwealth ensure the accuracy of EIT distributions? Will there be a process to correct distributions that are shown to be in error?
- How will the DOR accommodate unique local tax situations involving Act 205 and Act 47 rates in distressed municipalities?
- How will the DOR handle the differences between PIT and EIT Collection? How will the state form change to accommodate EIT reporting?
- Will the DOR maintain staff trained in EIT collection who will be able to provide immediate help to taxpayers or taxing authorities? Will this staff be dedicated to EIT collection?
- York, Adams and Franklin Counties operate under a legal agreement with the State of Maryland, stipulating that out-of-state residents will be taxed by their home state. How will the DOR continue this practice?
- What efforts will the DOR use to minimize unallocated funds, and will any unallocated funds be returned to the municipality according to Act 32?
- Will the DOR maintain a direct contact for local taxing authorities for reporting, budget requests and other issues?
- Will local EIT collection be impacted by state budget shortfalls or impasses, or in times of state employee furlough?
- Local EIT comprises 40% or more of municipal revenue, and 20% or more of school district revenue. This revenue stream is vital to maintain services.
- Will the DOR assist employers to properly code employees to ensure that tax withheld is distributed to the correct PSD?
- What compliance efforts will the DOR make to ensure compliance by taxpayers and employers, and how will compliance be measured?
- If the state contracts out local EIT collection to a third party, what standards will the state impose to make sure tax is collected and distributed in accordance with ACT 511 and Act 32?
- What is the benefit to municipalities and school districts if the state handles EIT collection?



CHESTER COUNTY TAX COLLECTION COMMITTEE

Via Email

July 5, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
4th and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution No. 291 of 2017

Dear Mark,

It was a pleasure speaking to you last week about the upcoming meeting with the tax officers that is scheduled for July 11, 2018. The purpose of the meeting is to discuss House Resolution No. 291 which requires the Department of Revenue to conduct a study regarding the possibility of a statewide collection of local earned income tax replacing the current method, which was revised via Act 32 of 2008. The study is to determine the feasibility and potential cost savings involved with a statewide collection process. Only the tax officers are invited to the July 11th meeting, however, you indicated that you wanted input from stakeholders such as the Chester County Tax Collection Committee (CCTCC). As the administrator for the CCTCC, I have attempted to consolidate the thoughts of our management committee as well as the input received from our 83 member school districts and municipalities. As a courtesy, I have also carbon copied representatives from Keystone Collections Group, the tax officer for the CCTCC since the implementation of countywide earned income tax collection under Act 32 in 2010.

Overall, as you review and evaluate HR 291, we suggest that no changes are necessary recognizing the positive impact of Act 32. The law is working as was intended and the legislature should avoid any well-intended efforts that would inevitably lead to confusion and complication. It should simply be left alone. In fact, it is working so well that lessons learned and success achieved through EIT collection under Act 32 could be applied to the consolidation of real estate tax collection on a countywide basis.

Since 2001, I have served as the Director of Administrative Services for the Chester County Intermediate Unit. Prior to joining the Intermediate Unit, I served as the Director of Business Operations for the Kennett Consolidated School District in Chester County. During my career, I have been actively involved with the Pennsylvania Association of School Business Officials (PASBO), including committees geared toward implementing efficiency initiatives in the area of tax collections. Shortly after Act 32 was enacted in 2008, I helped coordinate a Chester County Study Group made up of county, municipal, and school district officials to help determine how to best implement the collection of earned income taxes under the new statute. Chester County was one of three early implementer Tax Collection Districts statewide that began to collect earned income tax (EIT) under the Act 32 guidelines in 2011, one year ahead of the mandated date. Since that time, I have continued to serve as the Administrator of the Chester County Tax Collection Committee (CCTCC). The responsibilities of this role include:

1. Assisting with the development of the monthly meeting schedule and agenda, distributing information and minutes for CCTCC meetings.
2. Maintaining a database and directory of CCTCC delegate information and assisting with the ongoing communication to the delegates.
3. Coordinating the checking and investment accounts with selected financial institutions. Providing accounting, bookkeeping, monthly reconciliation, and management reports to the CCTCC. Assisting with the development of the annual CCTCC budget and coordinate the annual financial audits.
4. Assisting with the development of all policies and assisting the CCTCC Right-to Know Officer with the dissemination of information.
5. Assisting with the administration of the Tax Appeals Board and delinquent taxpayer policies.
6. Serving as a liaison with Keystone Collections Group, other tax collectors, taxpayers, payroll processing companies, tax collection committees, DCED and other organizations.
7. Negotiating the renewal of the agreement with Keystone Collections Group for tax collections.

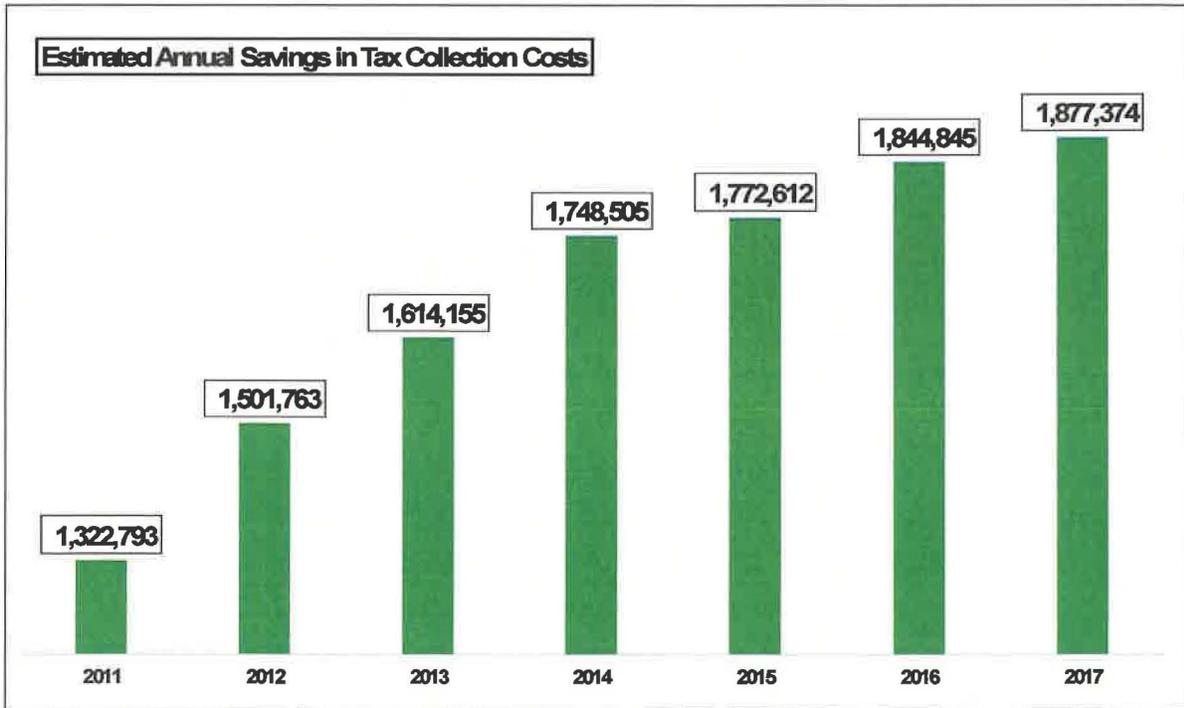
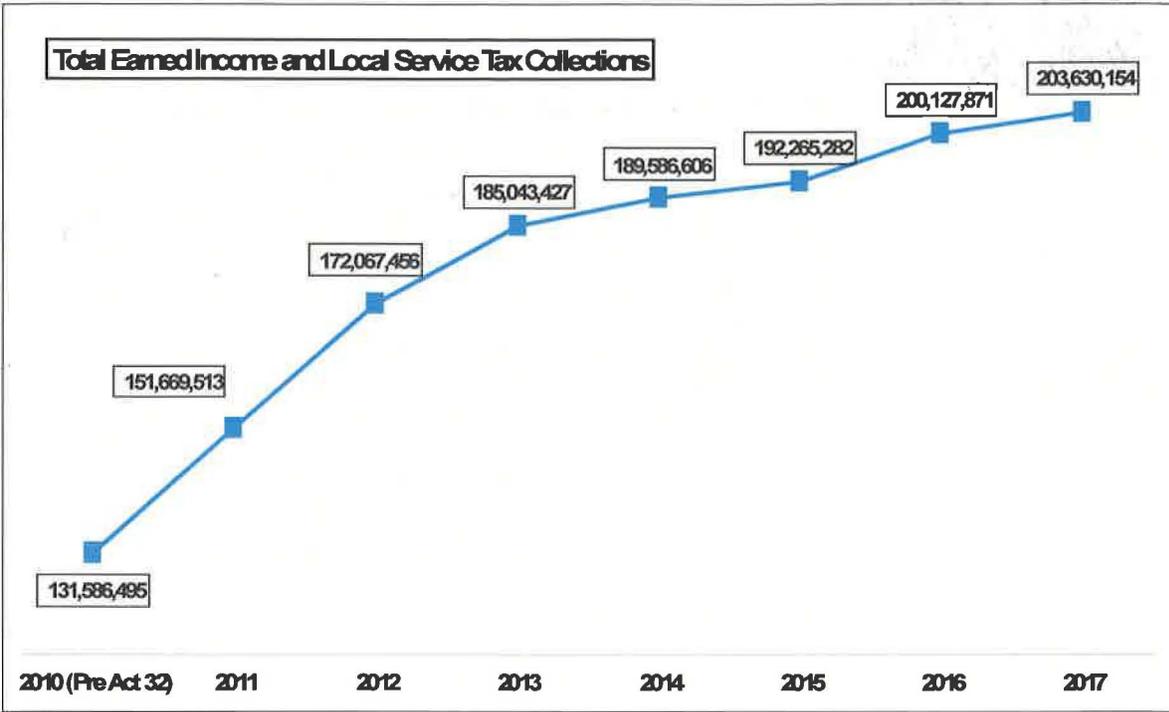
The purpose of my letter is to provide some background information about the impact of Act 32 on the school districts and municipalities in both Chester County and part of Berks County.

What Parts of Act 32 Really Worked on a Statewide Basis:

1. It was a great idea to consolidate the work of the mind boggling number of smaller tax collectors (64 in one county alone) into one central tax collection agency at the county level.
2. The municipalities and school districts have recognized significant savings in collection fees and related costs.
3. Mandatory employer withholding and remittance of EIT and the associated reporting requirements codified the somewhat haphazard system that was in place prior to Act 32.
4. Collaborative efforts of the municipal and school district stakeholders, as well as professional groups, to figure out the requirements of Act 32.

CCTCC – What Really Worked Locally:

1. The Tax Collector Request for Proposal (RFP) process using an RFP format resulted in a better contract that contained clear expectations for the tax collector.
2. Early implementation, despite some early bumps in the road, was successful.
3. The development of TCC Bylaws, governance structure, meeting formats, website, and taxpayer/employer communication programs provided the newly formed group with a solid governance structure. The initial and ongoing intergovernmental agency cooperation of the CCTCC has served as a model in the Commonwealth.
4. Increased collections as well as savings in collection fees for CCTCC members. Total tax collections were \$203,630,154 in 2017, an increase of \$3,502,283 from 2016. At the same time, annual tax collection costs have been reduced by nearly \$1.9 million since 2011. A summary of the collections of earned income and local service taxes, as well as the estimated annual savings to our members, appears below:



What Parts of Act 32 Really Did Not Work on a Statewide Basis:

1. Act 32 required, with limited guidance and no funding, the creation of Tax Collection Committees.
2. The Department of Community and Economic Development (DCED) was not provided the time nor the resources to support the multitude of issues that came with the enactment of Act 32.
3. There was a lack of early, frequent, and consistent communications by the Legislature with employers and payroll companies on new requirements.
4. There were times when DCED needed to exhibit more cooperation and flexibility with early implementation efforts.
5. The employers and payroll companies were caught off guard by Act 32, which led to problems with compliance and development of software program changes during early implementation in 2011.
6. There was an unfavorable ruling by the courts to the CCTCC request to overturn the "Philadelphia Super Credit" which costs the five county TCC's in Southeastern Pennsylvania millions of dollars in lost revenue each year.
7. Some frustration by TCC members with changes in cash flow, reporting, and nuances of Act 32.

CCTCC Member Reactions to House Resolution No. 291

In the attached appendix to this letter, I have included comments received from several CCTCC members about House Resolution No. 291 for your consideration.

Suggestions

Earned income tax collection under Act 32 has been an overall success, helping to increase collections from \$125 million in 2012 to over \$165 million in 2014 in Chester County alone. Likewise, the cooperative efforts between the municipalities and school districts have resulted in a reduction of over \$1 million annually in collection costs during the same time period. The need for a continued and coordinated communication and education campaign by the local TCC is paramount. This needs to be done in conjunction with the selected tax collection agency to be successful. The person or organization responsible for the management of the TCC must be able to disseminate accurate information on a timely basis.

Again, as you review and evaluate HR 291, we suggest that no changes are necessary recognizing the positive impact of Act 32. The law is working as was intended and the legislature should avoid any well-intended efforts that would inevitably lead to confusion and complication. It should simply be left alone. Thank you for your consideration of my thoughts on the effectiveness of EIT collection under Act 32. Please do not hesitate to contact me if you need additional information.

Sincerely,

Joseph P. Lubitsky
CCTCC Administrator

cc: CCTCC Management Committee
CCTCC Delegates
Keystone Collections Group

APPENDIX
HOUSE RESOLUTION NO. 291 - COMMENTS FROM CCTCC MEMBERS

Pennsbury Township – Kathleen Howley

I wonder what was the catalyst behind this resolution? Complaints? If it is truly more cost effective, I would be for that but my knee jerk reaction is that one might have better controls locally (Chester County) than put this into the state's hands. Open for discussion.

West Chester Area School District - John Scully, Business Manager

1. There will be a delay in receipt of tax revenue at the local level. Currently, we receive funds weekly while State subsidies are paid quarterly. The delay in EIT revenues will result in loss of investment earnings.
2. State budget impasse in a given year will cause lack of funding until budget appropriations are approved.
3. The CCTCC will lose the ability to negotiate fee structure on a local level.
4. Loss of relationships with current collectors to handle inquiries and investigations.
5. Will funding be a direct pass through or wrapped in a convoluted state directed funding formula?
6. The State has challenges handling their own financial affairs, why should they handle local imposed taxes?

London Grove Township – Kenneth N. Battin, Manager

Thank you for providing this information to us. The London Grove Township Board of Supervisors met on June 26, 2018 and discussed this issue. The common sentiment was that the State should not interfere with local government. The Earned Income Tax is a local issue, outside the purview of the State, and should remain as is.

House Resolution 291 indicates that the study will be conducted "with input from Counties, Municipalities and School Districts in this Commonwealth", other than this forum a request for input has not occurred. The DCED website (<https://dced.pa.gov/local-government/local-income-tax-information/>) has a brief survey available. Will this be the only input?

What inefficiencies continue to plague the local tax collection process? Then efficiencies and problems should be addressed as they are uncovered. The State should support local/regional efforts to correct these issues as they arise.

Streamlining the collection system was done by Act 32 of 2008. Further changes to this process would take local control and oversight further away from the jurisdictions that have enacted an Earned Income Tax.

Is this just another way that the State is using to generate an income stream? The study is to investigate the feasibility and potential cost savings of a statewide collection system. Who will reap these benefits, if any?

With so many other pressing issues facing Pennsylvania, why should time and resources be expended on an issue that diminishes local authority?

APPENDIX
HOUSE RESOLUTION NO. 291 - COMMENTS FROM CCTCC MEMBERS

East Bradford Township – Michael Lynch, Director of Finance

It would be important to obtain the comments from both CCATO and perhaps more importantly PSATS organizations. While I do not recall that PSATS, as part of its adopted Resolutions from the April 2018 Annual (state-wide) Conference in Hershey, specifically addressed this pending legislation in any of the adopted Resolutions, I would be surprised if PSATS position is not in opposition.

“Government closest to the people is the best government”, [transposed] attributed to Thomas Jefferson – We here in local government do not just believe this because it sounds good but because we see it demonstrated day in and day out – integrity, no party political nonsense, efficient decision making and implementation. If the State gets a hold of this, it runs the real risk of ‘state interference’ in the most vital revenue stream for many, many local governments.

These are not state monies and there is no need for the state to ‘launder’ our resident tax dollars, broker it, filter it, commandeer it, or create another bureaucratic agency with it.

There is a risk that once Harrisburg gets control of the collection and distribution that they will ransom local governments if the state (or one of its agencies) believes a municipality is not complying with any other state mandate that they get their hackles up about and then hold over us – not good.

Was Act 32 a ruse by the Commonwealth to set up a neater, more efficient system to now allow Commonwealth and more accessible takeover? This ‘conspiratorial type’ comment comes from the prior antics and nonsense from Harrisburg so it is somewhat grounded. I am sorry to say that as one local government official (in both East Bradford and East Goshen Townships), I do not trust Harrisburg (Office of Governor, Senate and House) to do our business; it is another attempt to usurp our local government structure and neuter our value to our residents.

Harrisburg is looking for the most ridiculous sources of revenue these days and this will be another potential source for taking some of our residents local dollars.

East Goshen Township – Rick Smith, Township Manager

PSATS adopted Resolution 18-25 opposing legislation that would designate the state as the collector of the local EIT. If the state takes over collection of the EIT, it will probably be better for businesses (a single collector rather the 73 county collectors). However, we will loss control of the collection process, and the state will tell us how much they will charge us to collect the EIT.

Lastly, I am concerned about sending our money to Harrisburg. You never know how much of your money you will get back.

Borough of Kennett Square – Lisa Ionata, Finance Director

1. Our opinions on this might be somewhat dependent on the answers to the following questions:
 - a. What prompted this study?
 - b. What would be the purpose of the State taking over collection of EIT?
 - c. What happens to the collection of LST and Keystone Collections Group?
2. I think that changing the method of collection back to being based on the work location (rather than having to analyze which is higher, work or home) would certainly save employers a lot of time, but I’m not sure if that’s on the table.
3. Right now I get great response time and assistance from Keystone via reports and other methods, is the State prepared to provide such services?

APPENDIX
HOUSE RESOLUTION NO. 291 - COMMENTS FROM CCTCC MEMBERS

East Brandywine Township – Robert Hoffman

Our thought on House Resolution 291 is the collection of the LEIT becoming a state function rather than a township function is not good for the simple reason, the local control of tax collection is better than state control. With state control, we are concerned that there could be the possibility of redistribution of the tax in an unequal amount to other municipalities, whose tax receipts may not be equal to our townships receipts. Additionally, state control may not take into account if one area is 98 percent collection rate vs an area that could be much less.

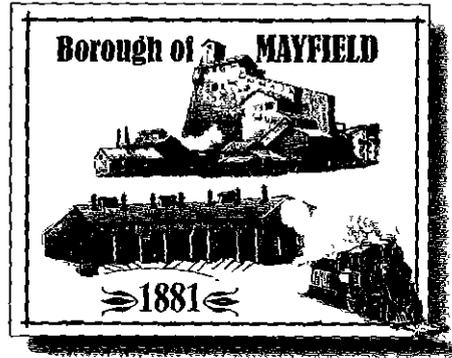
Warwick Township – Eileen Cameron, Supervisor

On July 3, 2018, the Supervisors of Warwick Township passed a motion (by 3-0) to keep the current tax collection system and deny HR 291.

Borough of Mayfield
Municipal Building
739 Penn Avenue
Mayfield, Pennsylvania 18433

Phone & Fax (570) 876-4391

E-MAIL: [REDACTED]



ALEXANDER J. CHELIK
Mayor

JANICE R. JOYCE
Council President

PHYLLIS A. JASKOWIEC
Secretary

ATTY. JOHN J. LAWLER, JR.
Solicitor

Mr. Mark Morabito
PA Dept of Revenue
Executive Office
11th Floor Strawberry Square
4th and Walnut Streets
Harrisburg, PA 17128

Re: Resolution Supporting Current EIT Collections

Dear Mr. Morabito:

Please find enclosed a resolution approved by the Borough of Mayfield on October 10, 2018. This Borough fully supports the current collection system for EIT as established by Act 32 of 2008. The Council feels any changes are unnecessary at this time.

Thank You,

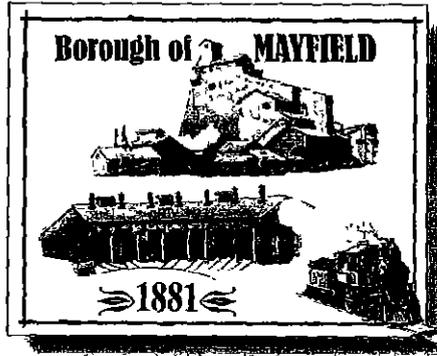
A handwritten signature in cursive script that reads "Phyllis Jaskowiec".

Phyllis Jaskowiec
Borough Secretary

Borough of Mayfield
Municipal Building
739 Penn Avenue
Mayfield, Pennsylvania 18433

Phone & Fax (570) 876-4391

E-MAIL: [REDACTED]



ALEXANDER J. CHELIK
Mayor

JANICE R. JOYCE
Council President

PHYLLIS A. JASKOWIEC
Secretary

ATTY. JOHN J. LAWLER, JR.
Solicitor

Resolution 2018- 13

Whereas, House Resolution 291 of 2017 (Printer's No. 3173) directs the Department of Revenue and others to undertake a study of replacing the current local earned income tax collection with a statewide collection system domiciled in the Department of Revenue; and

Whereas, the above mentioned resolution requires consideration of input from counties, municipalities, and school districts; and

Whereas, the Borough of Mayfield fully supports the collection of the Earned Income Tax (EIT) by the county tax collection agencies as authorized by Act 32 of 2008; and

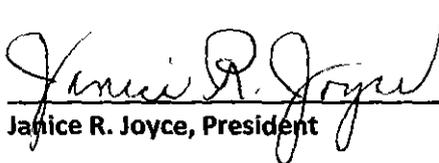
Whereas, the Act 32 collections of the EIT is working well, collections are up and costs down, there is frequency and accuracy of the distributions, there is a high level of personal service for both the PSDs and Taxpayers/Employers, and transferring the collection to the Department of Revenue of the Commonwealth of Pennsylvania would result in a loss of local control and would remove the advantages of a competitive marketplace; and

Whereas, the current system of collection by county tax collection committees have met the objectives of Act 32 consolidation (increased revenues, lower costs, higher collection standards, reduced employer burden), while maintaining local control; and

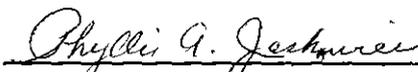
Whereas, by all accounts Act 32 has been a resounding success;

Now Therefore Be It Resolved that the Borough of Mayfield is opposed to the General Assembly transferring the collection of the EIT from the local county collection committees as set up by Act 32 to the Department of Revenue of the Commonwealth of Pennsylvania.

Approved this day of October 10, 2018.



Janice R. Joyce, President



Phyllis Jaskowiec, Secretary

City of Monongahela Pennsylvania



September 05, 2018

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution No. 291 of 2017

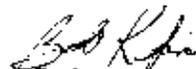
Dear Mr. Morabito,

This letter is concerning the House Resolution No. 291, which wants to replace the current way local earned income tax is collected, and distributed. This Resolution would change these taxes being collected by the Pennsylvania Department of Revenue. Presently Keystone Collections Group is our districts collector of Earned Income Tax and also the Local Service Tax, for Washington County.

Since the inception of Act 32 in 2012, which basically stated each County would have one collector for these taxes, we have seen an increase in this revenue every year. As with each Municipality and School Districts in our area, we rely heavily on the consistent flow of monies generated by the collection of these taxes. We receive weekly from Keystone Collections a distribution of funds collected for Monongahela. To stop that revenue, would be very detrimental to the day to day operations of our City business. The saying, "**Why fix something that is not broken.**" comes to mind.

We would appreciate you considering our disapproval of this proposed Resolution and thank you in advance for understanding our reservations and concerns with what the impact of a State collected wage tax would do to our anticipated continued revenue.

Sincerely,
CITY OF MONONGAHELA


Bob Kepics
Mayor

NORTH LONDONDERRY TOWNSHIP

655 EAST RIDGE ROAD
PALMYRA, PA 17078-9312
(717) 838-1373

September 19, 2018

Honorable Representative Frank Ryan
Pennsylvania House of Representatives
Lebanon County District Office
1044 East Main Street
Palmyra, PA 17078

RE: Earned Income Tax Collection

Dear Representative Ryan,

The Board of Supervisors for North Londonderry Township, Lebanon County, Pennsylvania, in a regularly scheduled public meeting on Monday, September 17, 2018, unanimously approved Resolution No. 09-17-2018 (see attached). The Resolution supports Act 32 in its collection and distribution of Earned Income Taxes (EIT) and is in complete opposition to any legislative actions mandating such collections and distributions to be undertaken by the Pennsylvania Department of Revenue.

In preparation to support this Resolution, the Board and its staff met with the County of Lebanon's EIT Collector, Keystone Collections Group. The Township is VERY WELL SATISFIED with Keystone's collection practices and in particular, their timeliness and accuracy of our EIT distributions.

The Township DOES NOT support ANY LEGISLATION, which would change any part of Act 32, as the collection and distribution of the EIT monies are completely satisfactory to North Londonderry Township. We appreciate your support in preventing changes to Act 32.

Please feel free to contact us with questions or comments regarding this very important tax issue, at the Township Office, Monday - Friday, 7:30 a.m. to 4:00 p.m.

Sincerely,



Ronald E. Fouché
Chairman

REF/lmd

NORTH LONDONDERRY TOWNSHIP

RESOLUTION NO. 09-17-2018

In Support of Current Earned Income Tax Collections, As Defined By Act 32 And In Opposition to Legislative Initiatives to Mandate Centralized Services

WHEREAS, the Board of Directors of the Lebanon County Tax Collection Committee (LCTCC) have been authorized under Act 32 to oversee the collection and distribution of Earned Income Taxes (EIT) for all taxing authorities in Lebanon County; and

WHEREAS, the LCTCC is responsible to monitor, audit and evaluate each aspect of the process; and

WHEREAS, the LCTCC is authorized to establish the most cost-effective, efficient method to collect and distribute EIT revenue on behalf of all Lebanon County Taxing authorities; and

WHEREAS, the LCTCC has experienced unparalleled revenue growth and efficiency since the adoption of PA Act 32 in 2009, and exemplary service and value working with its current collections contractor, and

WHEREAS, the LCTCC values its ability to choose its own contractor for daily/operational services, to ensure the highest degree of accuracy, efficiency and value for the taxpayers of Lebanon County; and

WHEREAS, the LCTCC is aware of an initiative (HR 291) which was endorsed by the PA House of Representatives to study and explore a proposal to consolidate these services on behalf of all counties in the Commonwealth of PA, specifically through an agency such as the PA Department of Revenue.

NOW THEREFORE, BE IT RESOLVED, the North Londonderry Township Board of Supervisors hereby lends its support to maintain all current policies and procedures related to EIT collections/distributions as defined by Act 32.

BE IT FURTHER RESOLVED, the North Londonderry Township Board of Supervisors, opposes any legislative initiatives to consolidate EIT services through any central agency at the state level. Additionally, we encourage our LCTCC representatives to work with all local, state agencies and private contractors, to explore any and all options to improve or enhance current methodology for EIT collection/distribution and to avail themselves for discussions that might offer improvements.

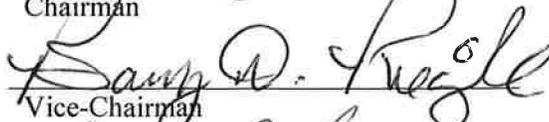
ADOPTED this 17th day of September, 2018.

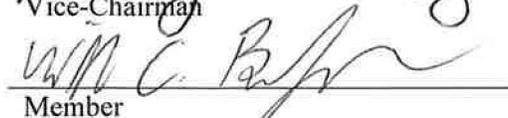
ATTEST:

NORTH LONDONDERRY TOWNSHIP
BOARD OF SUPERVISORS


Secretary


Chairman


Vice-Chairman


Member

Morabito, Mark

From: Woglom, David L. <[REDACTED]>
Sent: Monday, July 02, 2018 2:30 PM
To: Morabito, Mark
Cc: Rose Harr; Ruch
Subject: EIT collection

Mr. Morabito:

Pursuant to our conversation today, on behalf of the Lehigh and Northampton TCCs, I want to let you know of the great pleasure we have all experienced with the implementation of Act 32. Costs are down and EIT revenues are up for all of the municipalities and school districts in both county areas. Both Keystone Collections and Berkheimer have done an excellent job for all of the municipalities and school districts.

Further, I would be very concerned over the practical results of the state taking over EIT collections in the future. With all that the state is involved in, I must question why any legislator would want to “fix” the collection of EIT when the system is not “broken”.

If you should need any additional input from either this email or the much longer phone conversation we had today, please don't hesitate to contact me.

David L. Woglom
Administrative Director
Northampton TCC
Lehigh TCC
610-330-5856

**UPPER TYRONE TOWNSHIP
FAYETTE COUNTY, PENNSYLVANIA**

Resolution No. 07-01-2018

Indicating Opposition to House Resolution No. 291 and opposing any changes to the collection of local earned income taxes in the Commonwealth of Pennsylvania.

WHEREAS, local earned income taxes are presently collected pursuant to a structure established by Act 32 of 2008; and,

WHEREAS, the Act resulted in the establishment of a single tax collecting district in each County with the exception of Allegheny County and Philadelphia County; and,

WHEREAS, this process of collecting local earned income taxes has functioned efficiently and to the benefit of municipal bodies and school districts in the Commonwealth; and,

WHEREAS, the collection of local earned income taxes should remain a local matter subject to local control through the tax collection committees mandated by the Act.

NOW, THEREFORE, be it resolved as follows:

1. The Board of Upper Tyrone Township hereby indicates its opposition to House Resolution No. 291 and to any change in the system by which local earned income taxes are collected pursuant to Act 332 of 2008.
2. Said body further indicates its opposition to any change to the procedure by which local earned income taxes are collected pursuant to Act 32 of 2008 which would eliminate or reduce the local control of such activity as exercised by the respective tax collection committees established by said Act.
3. Copies of this Resolution shall be transmitted to the Department of Revenue and any other appropriate state representative of official.

ADOPTED, this 10th Day of July, 2018.



Charles B. Cook, Chairman

ATTESTED:



Lori Henry Secretary/Treasurer

HIGHLAND TOWNSHIP
Adams County, Pennsylvania

RESOLUTION NO. 2018-002

A RESOLUTION OF HIGHLAND TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA, THAT

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years Highland Township has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Highland Township, has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

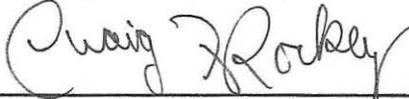
WHEREAS, Highland Township does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by Highland Township, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Highland Township is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Highland Township.

Duly Resolved and adopted on this 14th day of August, 2018.

ATTEST:


Secretary

Highland Township

President/Chairperson

JAMES J NEWHARD, CPA

Member: PICPA, AICPA, PCPS



July 20, 2018

PA Department of Revenue
Executive Office
ATTN: Mark Morabito
11th Floor Strawberry Square
4th & Walnut Streets
Harrisburg, PA 17128

RE: House resolution 291 – statewide collection pros & cons

Mark:

For decades, and particularly since the implementation of Act 32, I hear tax practitioners in PA whine and lament about why that PA local EIT cannot be done like Maryland – in that the local tax is reported on the state individual income tax return. It wasn't long after I got heavily involved in PA local taxes, and then as a member of the Act 32 Task Force and subcommittee of the PICPA State Tax Committee that I truly understood the magnitude and significant obstacles to this "wish." So as I had, for a number of years now, described the many issues that hinder such a proposal, now my very first statement is, "Pennsylvania is nothing like Maryland!"

With that said, it is probably an important assessment that Revenue is undertaking in HR 291 to study and identify the benefits and deficiencies of the proposed goal. Yes, it could certainly be done, and that might present taxpayers (and their tax preparers) a little more simplicity in compliance. However, the administrative burden along with the related phenomenal IT re-writes that would be required look to be a huge hurdle to clear, let alone justify.

While out PIT is the same rate anywhere in Pennsylvania, tracking, reporting, distributing & redistributing, verifying, enforcing, and satisfactorily reconciling would be quite the undertaking. With roughly 3,000 taxing jurisdictions, which includes 500 school districts, have probably at least 50 different rates, considering residents and non-residents and related add-ons, ranging from 0% to 3.6%.



Further, while the PA-40 focuses only on the school district on December 31st, every local taxing jurisdiction is expecting every single allocable dollar to be identified and assigned to them. So, tracking folks moving, changing jobs, changing assignments (locations), becomes extremely important.

With regards to the IT aspect, the E-Tides portal has never needed to gather specific earnings and tax data by individual until the W-2 reconciliation at year's end. The EIT system has this reconciliation, at the longest, on a quarterly basis (and most large businesses reconcile and remit monthly). So while Act 32, which had several years for transitioning, required refining and revamping the local collection process, bringing the procedural applications into the DOR would necessitate much more than a refining of the IT system – it would likely be a complete overhaul. This would be incredibly time-consuming and costly, and if the new launch was not successful, that could spell economic disaster here in the Commonwealth (note, implementation growing pains nearly financially strangled a handful of jurisdictions in 2011/2012, necessitating many jurisdictions to go out and borrow).

Currently, if a county believes that the collections process does not fit their expectations in any way, there are substitution options to engage. There is competition measured in competing price/cost, service, customer (taxpayer) services, and so forth. This is an oversight and control feature (similar to the reason we have anti-trust standards in America). However, were local tax collections transferred to DOR, a governmental entity, competition and alternatives essentially end.

The current use of the tax collection district (TCD) provides full regional representation to each taxing jurisdiction within the district (county). And while the TCD structure could remain under state (DOR) collection, its impact would be greatly diminished. Many options and alternatives would be, at the least, minimalized if not totally eliminated.

As a PA tax practitioner for 39 tax seasons, I can say that for a majority of taxpayers with both a PA-40 and a local EIT return, more time is required to ensure proper preparation, presentation and filing compliance for the EIT return than for the PA-40. And while piggy-backing could provide the EIT info would be e-filed along with the PA return, that aspect could create more complications and areas of e-filing failing.



If PA DOR takes over the local earned income tax collection and reporting, then it is quite likely there would be an expectation to also add into the reporting process the Philadelphia taxes, especially considering how much interaction of crediting and withholding issues between the City of Philadelphia and the suburban EIT jurisdictions. While that supposition is seriously putting the cart before the horse, this whole proposal (HR 291) is the result of speculation and “what if” interest.

It is certainly possible that there are many aspects of this process that may show the scales tipped towards state collection. I certainly cannot attest as to the efficacy or the underlying cost savings or burdens that would ultimately result, and the possible refinements to the overall IT systems that would be required may have greater benefits across the state taxes board that I am able to assess or speculate. So, I could be proven mistaken on my outside-looking-in view, but the incredible increase in collected earned income taxes in total, in distributing, in quick redistributing, and the accountability in audit and delinquency pursuits have been really impressive, and I believe more efficiencies are available going forward. With those agencies also subject to both financial audits by the qualified CPA firms, and also SSAE 16 examinations of the technological reliability and compliance provide strong oversight and governance.

If there is anything else I could add to the data collection for this assessment, please feel free to contact me directly, or I can be easily reached via Peter Calcara of the PICPA.

Respectfully submitted,

James J Newhard

JAMES J. NEWHARD, CPA



Biographical Sketch of James J. Newhard, CPA

In public practice since 1979, Jim established the firm *JAMES J. NEWHARD, CPA* in December, 1986 focused on small business entrepreneurs and individuals, to provide a wide variety of tax (preparation and planning), accounting & reporting (review, compilation, preparation, agreed-upon procedures, and QuickBooks advisory), and advisory services to individuals, small-to-medium sized businesses (including start-up businesses), not-for-profit entities, estates, and trusts. The firm *JAMES J. NEWHARD, CPA* has been a long-time peer review practice (quality review certification), including the most recent peer review, dated December 30, 2017.

Jim is also a discussion leader of continuing professional education (CPE), teaching practitioner A&A and tax, professional and tax ethics, and small firm best practices CPE programs for Loscalzo Institute (a Kaplan company). Jim has authored and provides technical review of several programs for Loscalzo.

Jim consults for and assists small CPA firms/practitioners in “Pre” (preparing for) and “Post” (evaluation and remediation) Peer Review matters for practices performing financial statement engagements and SSAE attest engagements (including Agreed-Upon Procedures). Additionally, Jim assists as a Quality Review service for pre-issuance reviews of financial statements and attest engagement reports.

Jim is a member of the AICPA (including PCPS and Taxation Member) and the PICPA. Jim is a Greater Philadelphia Chapter past-president (2006-07) and recipient of both the Volunteer Service Award (2009) and the Champion Service Award (2012), and serves on several PICPA committees at the state level (Accounting and Auditing Procedures, State & Local Taxation (includes multi-state taxation focus), Legislation, The Act 32 Task Force, CPA Image Enhancement, and Member Services), and the Philadelphia Chapter level (Accounting and Auditing, Local Taxation & Legislation, Federal Tax, and Annual Tax Forum). Additionally, Jim serves as the editor of the Accounting & Auditing column for the Pennsylvania CPA Journal, and has authored several columns and features, principally on CPA practitioner matters in A&A and Pennsylvania local tax matters (earned income and business privilege taxes). Jim has also provided testimony before both the Pennsylvania House and Senate finance committees on state and local taxation matters, the appropriateness of good tax policies, and the representation of the practitioner and taxpayer communities.

Jim developed/co-developed many Pennsylvania Act 32 resources for members, taxpayers and users, as well as several other reference informational resources for practitioners (including brochures on PA business privilege and mercantile taxes (PA Act 42), and attest & non-attest financial reporting services) and consumers (including brochures on managing debt, CPA-client privacy matters, and questions to ask in choosing a CPA).



Morabito, Mark

From: Gerald Cross, PA Economy League <[REDACTED]>
Sent: Friday, August 17, 2018 4:21 PM
To: Morabito, Mark
Subject: RE: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Dear Mark,

Thank you for the invitation to discuss the EIT collections. I enjoyed the meeting and I hope I was additive to the conversation.

One clarification I should make: When asked about the 2012 impact on municipalities, I mentioned that PEL had seen cases of municipalities (mostly townships) that had to send funds back to be credited to another municipality. While I know of some that actually sent funds back, the majority were in the form of prior year credits taken against current year distributions to municipalities. The result was the same, a reduction in collections for some in 2013 and an increase in collections to others as the proper EIT locations were settled by the collectors.

Please feel free to contact Brian Jensen on the methodology used for the estimate and please call me if you require anything further.

Best regards,
Gerry

Gerald Cross
Executive Director
Pennsylvania Economy League, Central PA LLC
88 N. Franklin Street, Suite 200,
Wilkes-Barre, PA 18701-1393
570-824-3559
570-829-8099 (fax)

[REDACTED]
www.pelcentral.org

The Pennsylvania Economy League has been a force for positive change since its founding in 1936. A regionally-based statewide public policy organization, making Pennsylvania a better place to live, work, and do business.

From: Morabito, Mark [REDACTED]
Sent: Tuesday, July 17, 2018 2:18 PM
To: Gerald Cross, PA Economy League
Cc: [REDACTED] 'Christian R. Muniz'
Subject: RE: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Gerry – Thanks for responding. I just sent a meeting invite to you.

The meeting will take place in the DOR's 11th Floor Executive Office Conference Room. Please let me know if you need additional directions and I'll be happy to provide those to you.

Thanks again.

Mark

From: Gerald Cross, PA Economy League [REDACTED]
Sent: Tuesday, July 17, 2018 11:28 AM
To: Morabito, Mark [REDACTED]
Cc: [REDACTED] 'Christian R. Muniz' [REDACTED]
Subject: RE: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Mark,
Let's plan on meeting at your office on the 16th at 10:30 AM. If you'd like, please send an invite with meeting location to those on this email. Brian Jensen of Pittsburgh PEL might like to attend by conference call and we can provide a call in number or call him from your office.

Looking forward to the discussion.
Gerry

Gerald Cross
Executive Director
Pennsylvania Economy League, Central PA LLC
88 N. Franklin Street, Suite 200,
Wilkes-Barre, PA 18701-1393
570-824-3559
570-829-8099 (fax)

[REDACTED]
www.pelcentral.org
The Pennsylvania Economy League has been a force for positive change since its founding in 1936. A regionally-based statewide public policy organization, making Pennsylvania a better place to live, work, and do business.

From: Morabito, Mark [REDACTED]
Sent: Tuesday, July 10, 2018 2:14 PM
To: Gerald Cross, PA Economy League
Cc: [REDACTED] 'Christian R. Muniz'
Subject: RE: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Gerry – It's no problem.

We could have a call/meeting on 08/14 at 2:00 PM or 08/16 at 10:30 AM.

Thanks.

Mark

From: Gerald Cross, PA Economy League [REDACTED]
Sent: Tuesday, July 10, 2018 2:04 PM
To: Morabito, Mark [REDACTED]
Cc: [REDACTED] 'Christian R. Muniz' [REDACTED]
Subject: RE: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Mark,
Thanks for the reply. Those dates are up in the air right now for me to commit. How does the week of the 13th look for a call/visit.
Gerry

From: Morabito, Mark [REDACTED]
Sent: Thursday, July 05, 2018 10:51 AM
To: Gerald Cross, PA Economy League
Cc: [REDACTED] Christian R. Muniz
Subject: RE: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Gerry – It’s no trouble. I appreciate the response as well as your willingness to provide input.

Looking at the calendar, we have the following availability:

Tuesday, August 7th at 9:00 AM or 10:00 AM
Friday, August 10th at 10:00 AM or 11:00 AM or 2:00 PM

We’re happy to accommodate you either by teleconference or in person. Whatever is convenient for you.

Thanks.

Mark

From: Gerald Cross, PA Economy League [REDACTED]
Sent: Thursday, July 05, 2018 9:50 AM
To: Morabito, Mark [REDACTED]
Cc: [REDACTED] Christian R. Muniz [REDACTED]
Subject: RE: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Dear Mr. Morabito,

Apologies for the very late reply to your email, the original was overlooked in my reply to list. I have some free dates in July and I will be in Harrisburg on the 24th for a public meeting. I also may have some time when I am in the City on July 12 but that day is much less open. August has many open days as of now. If you have some specific dates that are good for you, please send them to me.

I can also come to Harrisburg at your convenience as my office is in Wilkes-Barre.

Gerry

Gerald Cross
Executive Director
Pennsylvania Economy League, Central PA LLC
88 N. Franklin Street, Suite 200,
Wilkes-Barre, PA 18701-1393
570-824-3559
570-829-8099 (fax)

[REDACTED]
www.pelcentral.org

The Pennsylvania Economy League has been a force for positive change since its founding in 1936. A regionally-based statewide public policy organization, making Pennsylvania a better place to live, work, and do business.

From: Morabito, Mark [REDACTED]
Sent: Wednesday, June 20, 2018 1:55 PM
To: [REDACTED]
Subject: HR No. 291 - Study on Statewide Collection of Local Earned Income Tax

Mr. Cross – Last month, Brian Muniz from Pugliese Associates copied you on an email he sent to me regarding the study on statewide collection of local earned income tax required via House Resolution No. 291 of 2017.

The attached letter invites you to share your insights on the current process as well as the potential for a statewide collection system.

I look forward to speaking with you and your organization.

Thank you.

Mark Morabito | Special Assistant to the Deputy Secretary for Compliance and Collections
PA Department of Revenue | Executive Office
4th and Walnut Streets | Harrisburg PA 17128
Phone: 717.772.9231 | Fax: 717.772.5118
www.revenue.state.pa.us

Department of Revenue Mission: To fairly, efficiently, and accurately administer the tax laws and other revenue programs of the Commonwealth of Pennsylvania.



Virus-free. www.avg.com

Morabito, Mark

From: Dave Ascani [REDACTED]
Sent: Thursday, July 05, 2018 10:06 AM
To: Robin Zmoda
Cc: Morabito, Mark; Woglom, David L.; Allen; Allen/Nazareth; Bangor; Bangor; Bangor; Bangor SD; Bangor SD A; Bangor SD AA; Bath; Bethlehem; Bethlehem A; Bethlehem Schools; Bethlehem Schools A; Bethlehem SD A; Bethlehem Twp; Bushkill; Chapman; Chapman A; East Allen; East Allen A; East Bangor; East Bangor; Easton; Easton SD; Easton SD A; Forks; Forks A; Fountain Hill; Fountain Hill A; Freemansburg; Freemansburg A; Freemansburg A; Glendon; Hanover; Hanover A; Hellertown; Hellertown/LS/LSSD A; Hellertown/LS/SVSD A; Lehigh; Lehigh; Lehigh A; Lower Mt. Bethel; Lower Nazareth; Lower Nazareth; Mike Gaul; Moore; Nazareth A; Nazareth A; Nazareth SD; Nazareth SD A; Nazareth SD A; Northampton; Northampton A; Northampton Schools A; Northampton SD; Palmer; Palmer A; Pen Argyl SD/Wind Gap; Plainfield; Plainfield; Portland; Rose Harr; Roseto; Roseto A; Stockertown; Stockertown; Tatamy; Tatamy; Upper Mt. Bethel; Upper Nazareth; Washington Township; Washington A; Washington AA; Williams; Wilson; Wilson SD; Wilson SD; Wind Gap A; [REDACTED]
Subject: Re: Statewide Collection of EIT

I think the tax should be abolished .

On Jul 5, 2018, at 09:55, Robin Zmoda [REDACTED] wrote:

Mr. Morabito:

As a member community of the Northampton County Tax Collection Committee and past treasurer of the committee, I wanted to express my concern in having the state assume the collection and disbursement of local earned tax.

The implementation of Act 32 has been very beneficial to all parties involved and the current system is working extremely well. It is crucial that our communities maintain local control and oversight of these tax revenues, adding a level of bureaucracy would only lead to complications to the system that is not welcomed.

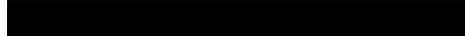
The present benefits of the system currently in place include:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet our needs

As a small community these benefits have enabled us to receive, budget and account for the revenues in a most efficient manner. I strongly believe this is the best practice to continue and should not be moved to a state-run system.

Sincerely
Robin Zmoda

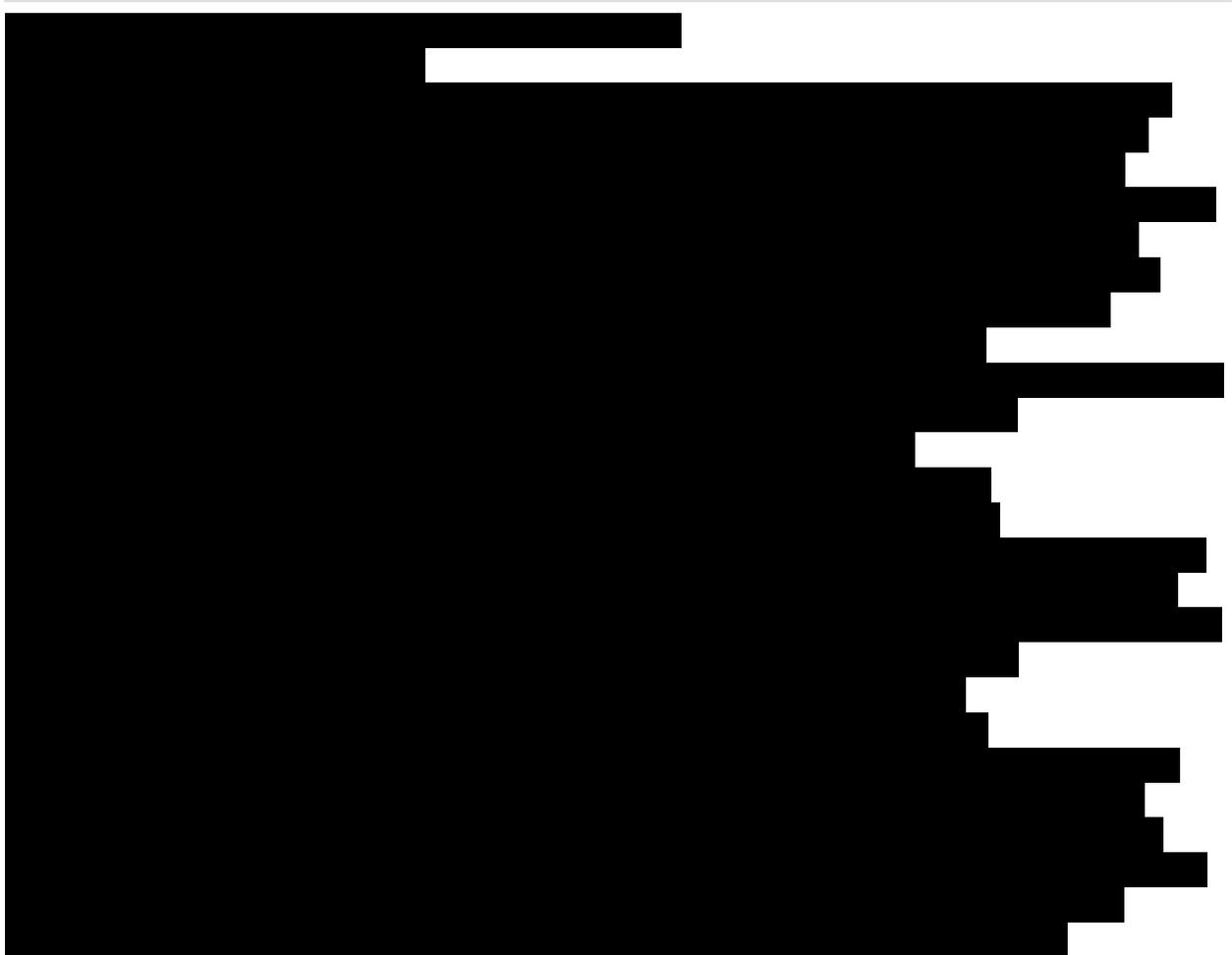
Robin Zmoda
Pen Argyl Borough Manager
11 North Robinson Avenue
Pen Argyl, PA 18072


<http://www.penargylborough.com/>
Phone 610-863-1822
Fax 610-863-7543

<image003.jpg>

We can begin by doing small things at the local level, like planting community gardens or looking out for our neighbors. That is how change takes place in living systems, not from above but from within, from many local actions occurring simultaneously.
-- Grace Lee Boggs

<image004.jpg> <image005.jpg>



[REDACTED]

Subject: Statewide Collection of EIT

Dear TCC Delegates and Alternates—

As you may know, the state legislature has authorized the Department of Revenue to complete a study about the feasibility of centralizing collection of EIT at the state level. Attached is a letter from Keystone to our member municipalities and school districts soliciting your input to them concerning this study.

This week, in response to a letter I received from the State Department of Revenue, I talked with a staffer and told him that our TCC members were very pleased with the outcome of Act 32 and how it increased our EIT revenues and lowered the cost of collection—therefore, a winner on both fronts. I also told him that I was concerned over the concept of the state assuming control of EIT collection given our successes under the current system. At his request, I also followed up this conversation with a brief email summarizing what I had said to him.

Please feel free to respond to Rose Harr’s letter above if you wish. If you have any questions, please don’t hesitate to contact me.

Dave Woglom

From: John J Finnigan Jr [REDACTED]
Sent: Tuesday, July 03, 2018 9:12 AM
To: David L. Woglom [REDACTED]
Subject: FW: HR 291 - Statewide Collection of Local Earned Income Tax

Please send to the delegates.

Jay

John J. Finnigan, Jr.
Township Manager
Hanover Township - Northampton County
Phone: 610.866.1140, ext. 222
Fax: 610.758.9116

“A perfect republic can materialize only in a small jurisdiction such as a township. (They) have provided themselves the wisest invention ever devised by the wit of men for a perfect exercise of self-government and for its preservation” — Thomas Jefferson, 1816

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From: Keystone Client Services [REDACTED]

Sent: Friday, June 29, 2018 10:47 AM

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Local Earned Income Tax

Dear Jay,

The Department of Revenue recently contacted you about replacing the current Act 32 system with a statewide collection process housed in the DOR. This would eliminate local control and oversight by the TCC. As they consider this idea, they are hoping to hear your perspective on the success and benefits of the current Act 32 model versus creating a new state-run system.

DOR invited Keystone to a July 11 meeting in Harrisburg on this issue. Your input and that of the school districts and municipalities that make up the Northampton TCC is important for me to raise your questions and concerns with the DOR.

I attach a more detailed letter that I ask you to distribute to your member school districts and municipalities to provide me with feedback to take to the DOR on July 11.

Please ask your TCC members to forward their comments directly to me by July 6, so we have a chance to review and follow up. Keystone’s Peter “Buzz” Busowski, is working closely with me on this project and is available to assist you and get answers to any questions you may have. His email is [REDACTED]; his direct number is 855-697-3514.

In the meantime, if you need additional assistance, please contact me or Buzz.

Thank you.

Rose Harr
Vice President, Client Relations

<image006.jpg>
546 Wendel Road
Irwin, PA 15642

(412) 418-8975 Cell
(724) 978-0317 Direct
(724) 978-0318 Direct Fax



www.keystonecollects.com

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Morabito, Mark

From: Portland Borough [REDACTED]
Sent: Thursday, July 05, 2018 9:55 AM
To: Woglom, David L.; Morabito, Mark
Subject: Re: Collection of EIT

Mr. Morabito,

- I am the delegate to Portland Borough.
- We have enough state interference already in our lives.
- Why do you want to take on the collection of the EIT?
- Does someone need a job in Harrisburg? So you're creating one?
- I won't have the same level of contact/communication as I have now.
- I can call and speak with someone immediately and have my concern addressed immediately.
- I want local control. Keep the status quo.

Thank You,

Carol A. Hummel

Diann G. Eden

Carol A. Hummel, Secretary
Diann G. Eden, Billing Clerk
Borough of Portland PA
570.897.0559
FAX: 570.897.7909

On Tue, Jul 3, 2018 at 9:17 AM, Woglom, David L. [REDACTED] > wrote:

Dear Delegates and Alternates—

Please see below my email to the Department of Revenue and also Jay Finnigan's follow-up email to them.

Dave

From: John J Finnigan Jr [mailto: [REDACTED]]

Sent: Tuesday, July 03, 2018 9:12 AM

To: [REDACTED]

Cc: David L. Woglom [REDACTED]; Rose M. Harr [REDACTED]

Subject: FW: EIT Act 32

Importance: High

Mr. Morabito:

I would like to offer additional comments relative to maintaining the “status quo”.

The implementation of Act 32 has been very beneficial to all parties involved. Why build additional governmental bureaucracy when the current system is working extremely well. Leave well enough alone and don't try to fix a problem that doesn't exist. Among the many reason to maintain the status quo are:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet your needs

If you have any additional question, please feel free to contact me.

Regards,

Jay

John J. Finnigan, Jr.

Chairman, Northampton County Tax Collection Committee

Township Manager

Hanover Township - Northampton County

Phone: 610.866.1140, ext. 222

Fax: 610.758.9116

From: Woglom, David L. [REDACTED]
Sent: Monday, July 02, 2018 2:30 PM
To: [REDACTED]
Cc: Rose Harr; Ruch
Subject: EIT collection

Mr. Morabito:

Pursuant to our conversation today, on behalf of the Lehigh and Northampton TCCs, I want to let you know of the great pleasure we have all experienced with the implementation of Act 32. Costs are down and EIT revenues are up for all of the municipalities and school districts in both county areas. Both Keystone Collections and Berkheimer have done an excellent job for all of the municipalities and school districts.

Further, I would be very concerned over the practical results of the state taking over EIT collections in the future. With all that the state is involved in, I must question why any legislator would want to “fix” the collection of EIT when the system is not “broken”.

If you should need any additional input from either this email or the much longer phone conversation we had today, please don't hesitate to contact me.

David L. Woglom

Administrative Director

Northampton TCC

Lehigh TCC

610-330-5856

MONTGOMERY COUNTY TCC COMMENTS REGARDING H.R. No. 291

1. Acknowledge receipt but express disappointment in not being invited to directly participate and to present our views on the “pros and cons” of the current process and the ideas on statewide collection.
2. The approach of excluding the TCC’s at this early stage is somewhat shortsighted as the TCC represent the ultimate “stakeholders”, i.e. the taxing authorities, who have the greatest risk in any decision affecting the collection of EIT revenues.
3. Act 32 brought together the combined experience and skills of volunteer professional management staff of municipalities and school districts to oversee the management of the collection of one of the most important financial resources for their communities.
4. Through the development of TCC by-laws and cooperative governance structure Act 32 had the effect of improving each individual municipality’s and school district’s ability to create a stronger, fairer, more transparent and more accountable tax collection system than existed prior to act 32.
5. Required tax collection firms to participate in a competitive market resulting in improved collection efficiencies, transparency, accountability and most importantly customer service.
6. Forced inefficient, ineffective and non-accountable firms to be removed from the market.
7. Removed political involvement and favoritism as motivators in the decision to hire a tax collector.
8. As evidence of the success of act 32 one only needs to look at the figures showing substantial growth in revenues accrued to Montgomery County taxing districts adding an aggregate of over \$345 Million in additional revenues to the TCC’s school districts and municipalities over the period of 2012 through 2017.
9. This growth was coupled with a reduction in tax collection commission rates from an average of 2.5% prior to 2011 to a rate for 2018 of 1.2% with a cumulative savings of \$18 Million.
10. Based on our experience over the past six years we believe that by any objective measure, the “cons” of moving to a “statewide collection” of EIT plainly outweigh the “pros”. Notably the benefits the TCC members currently receive under Act 32 will likely be lost if control of EIT collection is surrendered to the state, including but not limited to:
 - Weekly disbursement of revenues
 - 24/7 access to tax data
 - Customized reports for local budget projection and community impact analysis
 - Transparent auditing of collection and distribution of tax revenues
 - Employer and individual compliance enforcement
 - Tailored assistance to employer payroll companies and tax preparers
 - Extended service hours (evening and weekends) during tax season

- In-house technology development and a legal team to meet the TCC member's needs.
11. The state legislature should be proud of the positive impact that Act 32 had on the previously fragmented and inefficient collection system. We suggest that no changes are necessary. As originally enacted by the state legislature the system is working as intended and the legislature needs to avoid any effort that could lead to unintended consequences resulting in confusion and complications affecting the successes of Act 32 and the revenue streams to the members.



2016-2018 PSAB Resolutions

**Published
June 13, 2018**

Resolution 2018-10

BE IT RESOLVED, that PSAB oppose any efforts—which eliminates the local earned income tax collection districts authorized under Act 32 and replace it with a statewide collection system.

Resolution 2018-11

BE IT RESOLVED, that PSAB seek legislation to increase the \$25,000 threshold at which the Prevailing Wage Law currently applies, to an inflation adjusted amount of at least \$200,000 and continue to adjust for inflation in future years and to; alternatively allow local governments and school districts to opt out of or be exempt from prevailing wage law requirements.

Resolution 2018-13

BE IT RESOLVED that PSAB seek legislation amending current elections laws, to allow the county Election and Voter Registration Office, the county Board of Elections and the President Judge of each county to oversee the Local Municipal Election petition challenges and appeals, simplifying the process and improving constituent confidence in a free, fair and open election process.

Resolution 2018-14

BE IT RESOLVED, that PSAB oppose legislation to amend the Urban Redevelopment Law to require a county of the second class to create a land bank program where an existing multi-municipal land bank already exists under the Pennsylvania Land Bank Act (Act 153 of 2012)

Resolution 2018-15

BE IT RESOLVED, that PSAB seek legislation to clarify that financial institutions holding mortgages have a vested right in any property for which they hold a mortgage and therefore can be held responsible for the maintenance and condition of the property and for any violations regarding the same when a property becomes the responsibility of a financial institution.

Resolution 2018-16

BE IT RESOLVED, that PSAB oppose any legislation that would strip municipalities of their legal authority to regulate wireless facilities both within and outside the public rights-of-way, limit a municipality's ability to negotiate and collect reasonable fees for collocation on municipal infrastructure, or mandate municipal cooperation.

Resolution 2018-17

BE IT RESOLVED, that PSAB oppose any legislation that would require municipalities to permit full-time police officers to purchase pension credit for prior part-time or full-time police service that the officers provided to another police department.

Resolution 2018-18

BE IT RESOLVED, that PSAB oppose efforts to eliminate the local earned income tax collection districts authorized under Act 32 of 2008 and replace with a statewide collection mechanism.

Resolution 2015-4 (RA-18) *RA indicates reauthorization for an additional 3-year period as a priority for PSAB*

BE IT RESOLVED, that PSAB seek legislation providing for an annual revenue sharing program for municipalities relating to tax exempt real property and establishing the Tax-Exempt Property Municipal Assistance Fund through DCED and funded by revenue generated by the 18% Johnstown Flood Tax.

HUNTINGTON TOWNSHIP
ADAMS COUNTY, PENNSYLVANIA

RESOLUTION

322

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF HUNTINGTON TOWNSHIP,
ADAMS COUNTY, PENNSYLVANIA, THAT**

WHEREAS, THE House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax Collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, the Board of Supervisors of Huntington Township has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Huntington Township; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Board of Supervisors of Huntington Township does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Supervisors of Huntington Township, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that the Board of Supervisors of Huntington Township is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Huntington Township.

Duly Resolved and adopted on this 13TH day of September, 2018.



Signature: Paul Guise
Paul Guise, Chairman, Board of Supervisors

Attest: Patricia Davis
Patricia Davis, Secretary

STRABAN TOWNSHIP
Adams County, Pennsylvania

RESOLUTION NO. 2018-09

A RESOLUTION OF THE STRABAN TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA, THAT

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, the Straban Township have had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Straban Township; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Straban Township does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by Straban Township, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Straban Township is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Straban Township.

Duly Resolved and adopted on this 10th day of August, 2018.

STRABAN TOWNSHIP
ADAMS COUNTY, PENNSYLVANIA
STRABAN TOWNSHIP BOARD OF
SUPERVISORS

ATTEST:



Robin K. Crushong, Secretary



Alfred E. Kammerer, Chair



Tony M. Sanders, Vice-Chair



Sharon E. Hamm, Supervisor

**BIGLERVILLE BOROUGH OF ADAMS COUNTY, PENNSYLVANIA
RESOLUTION 2018 -04**

A RESOLUTION OF THE Biglerville Borough, Adams County, Pennsylvania that

WHEREAS, The House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tx Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years the Biglerville Borough have had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Biglerville Borough has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Biglerville Borough does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT RESOLVED, that Biglerville Borough, Adams County hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Biglerville Borough is opposed to the statewide Earned Income Tax collections by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Biglerville Borough.

Duly resolved and approved on this 7th day of August 2018

By: _____

President

ATTEST: _____

Secretary

East Berlin Borough
Adams County, Pennsylvania

RESOLUTION NO. 8-2018-7

**A RESOLUTION OF THE BOROUGH OF EAST BERLIN, ADAMS COUNTY,
PENNSYLVANIA, THAT**

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, the Borough of East Berlin have had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to the Borough of East Berlin; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the Borough of East Berlin does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Borough of East Berlin, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that the Borough of East Berlin is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of the Borough of East Berlin.

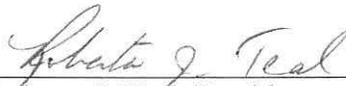
Duly resolved and adopted on this 1st day of August, 2018.

ATTEST:

EAST BERLIN BOROUGH



Darlene L. McArthur, Secretary



Roberta J. Teal, President



A RESOLUTION BY BERWICK TOWNSHIP, ADAMS COUNTY, COMMONWEALTH OF PENNSYLVANIA, IN OPPOSITION OF HR 291 of the 2017-2018 SESSION

RESOLUTION NO. 2018-08

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax Collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, Berwick Township, has had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to Berwick Township; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, Berwick Township does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax Collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by Berwick Township, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the County level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Berwick Township is opposed to the statewide Earned Income Tax Collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of Berwick Township.

Duly Resolved and adopted on this 13 day of August, 2018.

ATTEST:

**BERWICK TOWNSHIP
BOARD OF SUPERVISORS**


Secretary


Chairman

Upper Adams School District
Adams County, Pennsylvania

RESOLUTION NO. 20180821

**A RESOLUTION OF THE School Board of Directors of the Upper Adams School District,
ADAMS COUNTY, PENNSYLVANIA, THAT**

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

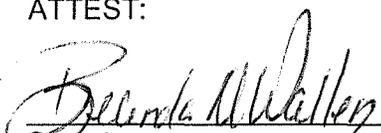
WHEREAS, over the past six (6) years, the School Board of Directors of the Upper Adams School District have had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to the Upper Adams School District; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

WHEREAS, the School Board of Directors of the Upper Adams School District does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the School Board of Directors of the Upper Adams School District, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that the School Board of Directors of the Upper Adams School District is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of the Upper Adams School District.

Duly Resolved and adopted on this 21st day of August, 2018.

ATTEST:


Secretary

UPPER ADAMS SCHOOL DISTRICT


President/Chairperson



Upper Tyrone Township
170 Municipal Drive
Connellsville, PA 15425
Telephone (724) 887-4359 Fax (724) 887-0767

Supervisors

Charles B. Cook
3061 Kings Road
Scottsdale, PA 1568

Richard V. Beranek
205 Eannotti Road
Dawson, PA 15428

Pete Fratto
807 Kingview Road
Scottsdale, PA 15683

Secretary/Treasurer
Lori Henry

July 17, 2018

State Representative Ryan Warner
Eberly Business Center
1040 Eberly Way, Suite 250
Lemont Furnace, PA 15456

Ref: House Resolution No. 291

Dear State Representative Ryan Warner:

Please find attached the Upper Tyrone Township Resolution No. 07-01-2018 Opposition to House Resolution No. 291 opposing any changes to the collection of earned income taxes unanimously adopted at the Upper Tyrone Township Supervisors regular meeting held on July 10, 2018.

On behalf of the Upper Tyrone Township Supervisors we appreciate you voicing our feelings toward the proposed House Resolution No. 291 noting we are against it.

Should you have any questions please do not hesitate to call me at 724-887-4359.

Sincerely,

Lori Henry
Secretary/Treasurer

Enclosure

BOARD OF SUPERVISORS
SOUTH ABINGTON TOWNSHIP
104 SHADY LANE ROAD * CHINCHILLA, PA. 18410

GILES STANTON
JOSEPH SPROUL
MARK DOUGHERTY

PHONE 570-586-2111
PHONE 570-586-5448

October 11, 2018

MR MARK MORABITO
PA DEPT OF REVENUE, EXEC OFF
11TH FL STRAWBERRY SQ
4TH AND WALNUT STS
HARRISBURG PA 17128

Re: Resolution Supporting Current EIT Collections

Dear Mr Morabito:

Please find enclosed a Resolution approved by the South Abington Township Supervisors on October 8, 2018. This Township fully supports the current collection system for EIT as established by Act 32 of 2018. We feel any changes are unnecessary at this time.

If you should have any questions please call me direct at 570-587-8717, Mon-Fri, 9-4.

Sincerely,



David G O'Neill, Manager
South Abington Township

BOS101118-3

SOUTH ABINGTON TOWNSHIP
LACKAWANNA COUNTY, PENNSYLVANIA

RESOLUTION NO. 18-9
October 8, 2018

**A RESOLUTION SUPPORTING THE COLLECTION OF THE
EARNED INCOME TAX (EIT) BY THE COUNTY TAX COLLECTION
AGENCIES AS AUTHORIZED BY ACT 32 of 2008**

WHEREAS, House Resolution 291 of 2017 (Printer's No. 3173) directs the Department of Revenue and others to undertake a study of replacing the current local earned income tax collection with a statewide collection system domiciled in the Department of Revenue; and

WHEREAS, the above mentioned resolution requires consideration of input from counties, municipalities, and school districts; and

WHEREAS, the Board of Supervisors of South Abington Township fully supports the collection of the Earned Income Tax (EIT) by the county tax collection agencies as authorized by Act 32 of 2008; and

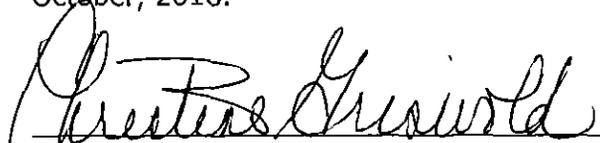
WHEREAS, the Act 32 collections of the EIT is working well, collections are up and costs down, there is frequency and accuracy of the distributions, there is a high level of personal service for both the PSDs and Taxpayers/Employers, and transferring the collection to the Department of Revenue of the Commonwealth of Pennsylvania would result in a loss of local control and would remove the advantages of a competitive marketplace; and

WHEREAS, the current system of the collection by county tax collection committees have met the objectives of Act 32 consolidation (increased revenues, lower costs, higher collection standards, reduced employer burden), while maintaining local control; and

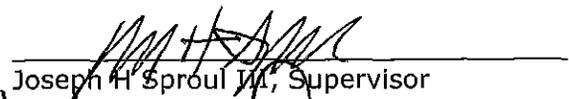
WHEREAS, by all accounts Act 32 has been a resounding success;

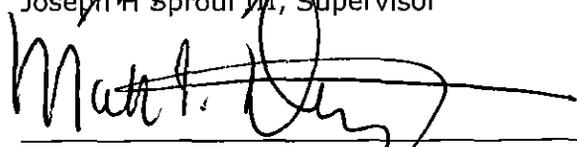
NOW THEREFORE BE IT RESOLVED that the Board of Supervisors of South Abington Township is opposed to the General Assembly transferring the collection of the EIT from the local county collection committees as set up by Act 32 to the Department of Revenue of the Commonwealth of Pennsylvania.

Enacted as a Resolution by the Supervisors of South Abington Township, this 8th day of October, 2018.


Christine Griswold, Secretary


Giles W Stanton, Chairman


Joseph H Sproul III, Supervisor


Mark T Dougherty, Supervisor

Borough of McSherrystown
Adams County, Pennsylvania

RESOLUTION NO. 2018-13

A RESOLUTION OF THE BOROUGH OF MCSHERRYSTOWN, ADAMS COUNTY,
PENNSYLVANIA, THAT

WHEREAS, the House of Representatives of the Commonwealth of Pennsylvania has passed House Resolution 291 of 2018 calling for the Department of Revenue to study the feasibility of statewide Earned Income Tax collection, and

WHEREAS, in accordance with ACT 32 of 2008, in 2012, the Tax Collection Committees of Adams and York Counties established the York Adams Tax Bureau as a joint tax collection bureau for the Adams and York County Tax Collection Districts, and

WHEREAS, over the past six (6) years, the Council of the Borough of McSherrystown have had a positive experience with the York Adams Tax Bureau, which has consistently increased collection of both current and delinquent Earned Income Tax due to the Borough of McSherrystown; has increased the efficiency of collection and receipt of tax revenue and has decreased the costs of collection at the same time; and

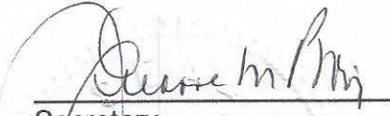
WHEREAS, the Council of the Borough of McSherrystown does not believe that the Commonwealth can provide the same level of service to its residents and businesses or match the current and delinquent Earned Income Tax collection provided by the York Adams Tax Bureau; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Council of the Borough of McSherrystown, Adams County, Pennsylvania hereby desires to express its support of maintaining the collection of Earned Income Tax at the county level as authorized by Act 32. **AND, IT IS HEREBY FURTHER RESOLVED** that Council of the Borough of McSherrystown is opposed to the statewide Earned Income Tax collection by the Commonwealth of Pennsylvania, encourages its legislators to oppose any legislation proposed to authorize statewide collection of Earned Income Tax and that a copy of this Resolution be sent to the office of each of the legislators serving the residents of the Borough of McSherrystown.

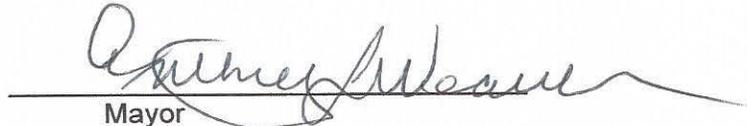
Duly Resolved and adopted on this 8TH day of AUGUST, 2018.

ATTEST:

Borough of McSherrystown


Secretary


President


Mayor

**A Resolution
By the Board of Supervisors of the
Sheshequin Township**

**In Support of Current Earned Income Tax Collections, As Defined By Act 32
And
In Opposition to Legislative Initiatives to Mandate Centralized Services**

WHEREAS, the Board of Supervisors of Sheshequin Township, Bradford County, Commonwealth of Pennsylvania, have been authorized under Act 32 to oversee the collection and distribution of Earned Income Taxes (EIT) for all taxing authorities in Bradford County; and

WHEREAS, the Board of Supervisors of Sheshequin Township is responsible to monitor, audit and evaluate each aspect of the process; and

WHEREAS, the Board of Supervisors of Sheshequin Township is authorized to establish the most cost-effective, efficient method to collect and distribute EIT revenue on behalf of all Sheshequin Township Taxing authorities; and

WHEREAS, the Board of Supervisors of Sheshequin Township has experienced unparalleled revenue growth and efficiency since the adoption of PA Act 32 in 2009, and exemplary service and value working with its current collections contractor, and

WHEREAS, the Board of Supervisors of Sheshequin Township values its ability to choose its own contractor for daily/operational services, to ensure the highest degree of accuracy, efficiency and value for the taxpayers of Sheshequin Township; and

WHEREAS, the Board of Supervisors of Sheshequin Township is aware of an initiative (HR 291) which was endorsed by the PA House of Representatives to study and explore a proposal to consolidate these services on behalf of all counties in the Commonwealth of PA, specifically through an agency such as the PA Department of Revenue.

NOW THEREFORE, BE IT RESOLVED that the Board of Supervisors of Sheshequin Township hereby lends its support to maintain all current policies and procedures related to EIT collections/distributions as defined by Act 32.

BE IT FURTHER RESOLVED that the Board of Supervisors of Sheshequin Township opposes any legislative initiatives to consolidate EIT services through any central agency at the state level. Additionally, we encourage our BCTCC representatives to work with all local, state agencies and private contractors, to explore any and all options to improve or enhance current methodology for EIT collection/distribution and to avail themselves for discussions that might offer improvements.

Adopted this 17th day of September, 2018.

Signed,

Kurt D. Lofy [Signature]
Chairman Secretary (seal)

[Signature]
Vice Chairman

[Signature]
Member

Morabito, Mark

From: Jaime Roberts <[REDACTED]>
Sent: Tuesday, July 03, 2018 3:32 PM
To: Morabito, Mark
Cc: 'John DeRemer'
Subject: Study of current local earned income tax system

Good afternoon. I am writing this email in reference to the study of the current local earned income tax system as I am unable to attend the July 11, 2018 meeting. As an initial delegate and current secretary for the Mercer County Tax Collection Committee, I have been involved in the process of transitioning to the county-wide collection system since the inception of Act 32 of 2008. Although a long tenuous process, the county-wide collection system has resulted in increased and consistent revenues and lower cost of collection for the Sharpsville Area School District. The current system is working and further consolidation will not necessarily increase collections.

My primary concern with a state-wide collection process is the distribution of funds. Currently, the District receives tax deposits as frequently as twice per week. In the Sharpsville Area School District, we have had to utilize fund balance to maintain educational programs as our expenditures outpace our increases in state and local revenues. As our fund balance continues to decline below five percent of our expenditures, any deviation from the current distribution of earned income taxes will have a detrimental impact on the District's cash flow.

Thank you for taking my concerns into consideration. If you have any questions, please feel free to contact me.

Jaime L. Roberts, PRSBA
Senior Business Manager/Board Secretary
Sharpsville Area School District
1 Blue Devil Way
Sharpsville, PA 16150
(p) 724-962-8300 ext. 4103
(f) 724-962-7873
[REDACTED]

Morabito, Mark

From: Jaime Roberts [REDACTED]
Sent: Tuesday, July 03, 2018 3:32 PM
To: Morabito, Mark
Cc: 'John DeRemer'
Subject: Study of current local earned income tax system

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My primary concern with a state-wide collection process is the distribution of funds. Currently, the District receives tax deposits as frequently as twice per week. In the Sharpsville Area School District, we have had to utilize fund balance to maintain educational programs as our expenditures outpace our increases in state and local revenues. As our fund balance continues to decline below five percent of our expenditures, any deviation from the current distribution of earned income taxes will have a detrimental impact on the District's cash flow.

Thank you for taking my concerns into consideration. If you have any questions, please feel free to contact me.

Jaime L. Roberts, PRSBA
Senior Business Manager/Board Secretary
Sharpsville Area School District
1 Blue Devil Way
Sharpsville, PA 16150
(p) 724-962-8300 ext. 4103
(f) 724-962-7873
[REDACTED]

**BRADFORD COUNTY TAX COLLECTION COMMITTEE
SECRETARY'S OFFICE
4332 HERRICKVILLE RD
WYALUSING PA 18853
Tele/Fax: 570-746-3231**

July 10, 2018

Mark Morabito
Special Assistant to the Deputy Secretary for Compliance & Collections
PA Dept of Revenue

Dear Mr. Morabito,

Thank you for the opportunity to comment on House Resolution No. 291 of 2017's required study of a statewide collection of local earned income tax replacing our current system under Act 32 of 2008. As secretary of the Bradford County Tax Collection Committee I have reached out to our member taxing authorities (school districts and municipalities) and every response I have received favors our current system of collection as opposed to a statewide collection. Responses received have also noted concerns about the probable negative impact of a statewide collection.

Our current system is extremely efficient, cost effective and has simplified the collection and reporting of the earned income tax at all levels including the taxing authorities receiving the revenue; the employers collecting and reporting the tax; and the individuals and businesses reporting and paying the tax. The tax regulations and tax forms have been standardized across the state further simplifying the process.

Since the implementation of our current system under Act 32, our tax collection district has had increased revenue collections which are deposited more frequently, decreased costs (over 300% decrease in most cases) and increased transparency of operations. Please note the following examples of these.

Our taxing authorities receive their revenue at no less than weekly intervals or as monies are collected. This is due to our contract with the Tax Officer.

The costs of collection have decreased as noted above. This is due to our contract with the Tax Officer.

In addition to the required Annual Financial Audit of the Tax Officer we also receive an annual Service Organization Controls Audit Report (SOC-1) from our Tax Officer, again due to our contract with the Tax Officer.

Each taxing authority's designated agent also receives monthly reports detailing collections received and quarterly reports listing names and address of taxpayers located within it to assist with collection efforts and to ensure accuracy and accountability.

Our Tax Collection Committee and individual taxing authorities have received excellent customer service from our Tax Officer. We have been able to contact them with questions and concerns and they are resolved promptly.

These examples clearly show the efficiency and success of the current system of allowing local Tax Collection Committees to contract their own local tax collection for their own tax collection district.

**BRADFORD COUNTY TAX COLLECTION COMMITTEE
SECRETARY'S OFFICE
4332 HERRICKVILLE RD
WYALUSING PA 18853
Tele/Fax: 570-746-3231**

Please consider the following concerns we have of a statewide collection of our local earned income tax.

First, what would be the cost to implement a statewide collection system as effective as the current system? The Dept. of Revenue is already short staffed and is at least six weeks behind in addressing taxpayer correspondence. Wouldn't the state have to hire more people, further adding to the state pension system trauma in addition to incurring additional costs for system programming, form changes, etc? Have these costs been analyzed? The state has enough problems now collecting and enforcing the state income tax, why increase its burden?

Also regarding costs, what costs would be passed down to the taxing authorities for the implementation of a statewide collection? Who exactly would be paying these necessary costs to implement the statewide system?

Second, how often would the taxing authorities receive their tax revenue? We've already noted that our taxing authorities receive their tax revenue at no less than weekly intervals or as monies are collected. It is hard to believe that a statewide collection would result in this same disbursement schedule. Our taxing authorities are not going to want any less frequent receipt of revenue.

Thirdly, would a statewide collection offer the same type of reporting at the same frequency? We use our monthly reports and taxpayer listings to aid in our local collection efforts plus to ensure accuracy.

Are we going to be able to negotiate our terms for collection? Receive annual audit reports and SOC-1 Reports for transparency and accountability?

Last but certainly not least is customer support. What type of customer support are we to expect from a statewide collection? Will we have questions and concerns addressed quickly with prompt resolution? Will we receive personalized assistance when needed? What about Appeals? Will they be handled locally or in Harrisburg?

In conclusion, we believe that a statewide collection of our local earned income tax wouldn't be nearly as effective as the current system in place nor would it result in any cost savings whatsoever. The local earned income tax is a local tax which should continue to be collected and enforced at the local level which has proven to be cost effective and efficient.

Thank you again for this opportunity to offer our concerns about this issue.

Sincerely Yours,



Brenda A. Ferguson
Bradford County Collection Committee Secretary

CC: Jim Hunt, John DeRemer, Rep. Tina Pickett, Sen. Gene Yaw

Morabito, Mark

From: Borough of Stockertown [REDACTED] >
Sent: Thursday, July 05, 2018 7:38 PM
To: Morabito, Mark
Subject: EIT

Mr Morabito,

Another layer of bureaucracy is not needed! We've honed the current system to efficiency and we are in control of our own money.

There is nothing the State governing body can do better than we have done for ourselves.

Please use your resources to hire more judges to hear Social Security Disability claims so those truly needy persons aren't forced to wait 20 to 24 months before they can appeal a decision. Or perhaps you could use those resources to close down puppy mills and stop the overwhelming influx dogs being shipped into PA from the South as well as foreign countries under the guise of "rescued animals"

I'm sure you can do better than fix something that's not broken.

Amy Richard, President
Borough of Stockertown
Northampton County

Amy Richard

Morabito, Mark

From: Deanne Werkheiser <[REDACTED]>
Sent: Thursday, July 05, 2018 12:50 PM
To: Morabito, Mark
Cc: David L. Woglom ; Christopher Moren; Bob Hayes; Pam Pearson
Subject: EIT Act 32

Mr. Morabito:

As one of the smallest member communities of the Northampton County Tax Collection Committee, I, as well as Tatamy Borough elected officials, have deep concerns in having the state assume the collection and disbursement of local earned tax.

It is crucial that communities maintain local control and oversight of their tax revenues. The implementation of Act 32 has been very beneficial to the municipalities and the residents. The current system is working extremely well. By adding a level of bureaucracy would only lead to complications to the system that is not welcomed.

The present benefits of the system currently in place include:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet our needs

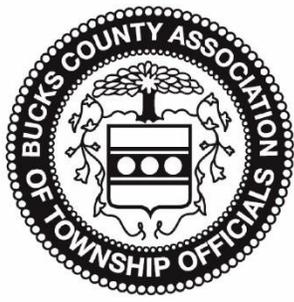
As a small community these benefits have enabled us to receive, budget and account for the revenues in a most efficient manner. EIT collection should not be moved to a state-run system.

Respectfully ,

Deanne Werkheiser

"What sunshine is to flowers, smiles are to humanity." Joseph Addison

Deanne Werkheiser
Municipal Secretary/ Treasurer
Tatamy Borough
423 Broad Street
PO Box 218
Tatamy, PA 18085



Bucks County Association of Township Officials

Joseph McFadden, President
Dan McPhillips, 1st Vice President
Maggie Rash, 2nd Vice President
Dick Weaver, Treasurer
Joe DiGirolamo, Director
Tom Courduff, Director
Diana Nolan, Director
David Nyman, Director
Barbara Lyons, Delegate
William Jones, Delegate
David Long, Delegate
Angela Benner, Executive Director

July 9, 2018

Peter Busowski
546 Wendel Road
Irwin, PA 15642

Dear Mr. Busowski,

I am writing today to express the concerns of some of the members of the Bucks County Association of Township Officials (BCATO) Executive Board regarding the replacement of local Earned Income Tax (EIT) collection methods with a Statewide collection method domiciled in the Department of Revenue.

We understand that the Department of Revenue (DOR) is undertaking a study as directed by the House of Representatives Resolution 291 (HR291), to examine the current processes and determine if Earned Income Tax is better collected and distributed by the Pennsylvania State Department of Revenue. BCATO Executive Board Members have deep concerns related to changing the current process and further centralizing EIT tax collection and distribution and with the execution of this study by the DOR.

The BCATO Executive Board has not yet met to consider formal action in regard to this situation. This letter therefore does not represent a formal consensus of BCATO or its executive board. Many of the executive board members however have discussed this and felt it important to post concerns then take the matter up formally at our meeting on July 11th. Please consider the following list of concerns:

- In Representative Peifer's memo regarding this action, he originally intended to introduce legislation that requires the Pennsylvania Department of Community and Economic Development to conduct the study and to consult with the DOR and the Independent Fiscal Office. When written and voted on, HR291 changed this and now directs the DOR to conduct the study to determine if the DOR itself is best postured to collect and distribute EIT. This is a deeply flawed approach that is open to wide bias. This study should be conducted by an independent agency that has "No Stake" in the outcome. We believe that the DOR's findings will, quite naturally, tend toward a positive representation of the DOR's capacity for this work and not provide a robust analysis, and even down-play the possible problems and challenges related to this matter.
- HR291 is further flawed as it leads the investigation with the assumed benefits of possible centralization. HR291 should only have asked for an examination of the current policy, laws and provide identification of flaws and challenges in the current processes and provide recommendations for improving efficiency. Instead the language of HR291 provides the basis for further bias and signals the DOR with the keywords and phrases needed to simply confirm the beliefs of the authors.

- The BCATO Executive Board recognizes that current tax collection agencies (i.e. Keystone) are very aggressive in pursuing delinquent tax collection. Additionally, they use a very sophisticated geo-location system to ensure that addresses are properly mapped to the appropriate municipality as well as other technology to meet the needs of the tax payer—our constituents. The vendors are well suited and efficient in collecting EIT at the county level. Most importantly, in the current system, if vendors are not providing adequate service, municipalities can always change the vendor. This would not be an option under a centralized state collections system.
- While the DOR is well postured to handle collection of the state income tax, taxes collected at state level are subject to distribution based on the state budget. Earned Income Tax however, would be collected for direct redistribution back to the local municipality or school district. The characteristics of this distribution would be subject to a completely different set of dynamics...dynamics that the local taxing authorities and vendors handle quite effectively.
- If the DOR study concludes that centralization is the best option and if the legislature passes this into law, we are deeply concerned with the potential that the EIT revenues would be tied up during budget “deadlocks.” Municipalities are mandated by-law to pass completed budgets within specified timeframes. Municipalities and school districts rely on timely collection and provision of EIT revenues. The BCATO Executive Board members are concerned that a centralized collection of EIT would subject needed funds to the vagaries of the established state budgetary processes.
- In many instances there are no problems with local taxing authority and vendors collection and distribution. Resources would be better used to examine and correct established problems, not recreating the complete process.

We hope that these points and comments provide some additional information needed to help convince our legislators to reconsider this study, then rescind and revise the resolution. Once rescinded, the study should be redirected to an unbiased approach that more fully evaluates the challenges and problems with the current system and works to find ways to make the current processes more efficient. Only in this way, will the Pennsylvania law makers be able to address the problems and not further remove authority that is best placed as close to the constituency as possible, which is most appropriate.

We appreciate the opportunity to express and share our concerns with you.

Sincerely,



Joseph McFadden
BCATO President

Hi Joe,

Here is a summary of a bunch of comments from my elected officials. I hope this is along the lines of what you were looking for? If not let me know and I can attempt a summary. Good luck!

Sandra,

What is their intention besides establishing yet another layer of bureaucracy between our revenue and those that pay it? This is strictly a money grab on the states part. The state has no business in collecting taxes we levy and should stay out of our business. Added levels of state run bureaucracy will only delay our payments and irritate tax payers with their proven unacceptable levels of customer service. I for one am in strong opposition of the state participating here. Let the state take care of state business and local municipal governments take care our local business. The current system isn't broken now and doesn't need any fixing by the state of Pennsylvania whom continues to demonstrate it's incompetence in it's ability to regulate itself. Who in their right mind would want them involved with collecting taxes on their behalf. Not I.

Best Regards,

Jeffrey Coddington
Chalfont Borough Council

Sandra,

This has the potential for all kinds of nightmarish scenarios and perhaps even some new hoops through which to jump. What do they pay Keystone, a couple percent? Why does the commonwealth feel it can replicate these services as efficiently as a private company does.....all these questions are rhetorical, I am just frustrated that some bureaucrat thought this was a good idea.

Mark Glidden
Chalfont Borough Council Member

To whom it may concern,

I wish to voice my opposition to the centralization of local EIT (Earned Income Tax) as suggested by House Resolution 291.

Our tax collection by Keystone has been exemplary. We are receiving excellent service, including timely receipt of payment and customer service both to the Borough and our residents.

I am concerned that we stand to lose the following benefits of local control of the EIT:

- Weekly disbursement of revenue
- 24/7 access to tax data
- Customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season

I see no opportunity for improvement or value to centralizing this function under state control.

Sincerely,
John Engel
President, Chalfont Borough Council

Thank you

Sandra Brookley Zadell
Chalfont Borough Manager
40 N. Main Street
Chalfont, PA 18914
215-822-7295

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From: [REDACTED] **On Behalf Of** Mike Brown
Sent: Tuesday, July 3, 2018 1:28 PM
To: [REDACTED]
Subject: [Act32Bucks] RE: HR291 - centralizing EIT collection

Forgive me, but despite Keystone's stellar reputation should the TCC be farming out its response to an entity with such a large financial stake in the outcome? I would be saying this no matter who the collector is. This is a public policy matter. I have no idea whether the cost/benefit of local control is a good value. I have no idea whether the DOR could do the job. Is the cost savings that great statewide? Does the cost of service factor in the unemployment benefits paid to the collection companies' former employees, the cost of upgrading the DOR's IT systems, the cost of hiring additional state employees (or the cost of the state contracting the service)?

As a taxpayer convenience, I'm all for it. No matter how efficient Keystone is, it's still another tax return to file that could be combined with the state PIT and done in one transaction. But if the total cost of collection were to increase by 1% statewide, it's not worth it.

Mike Brown
Twp Manager
Springfield (Bucks) Township
610.346.6700 x12

From: 'Chester Pogonowski' via Act32Bucks [REDACTED]
Sent: Tuesday, July 03, 2018 1:58 PM
To: [REDACTED]
Subject: RE: [Act32Bucks] RE: HR291 - centralizing EIT collection

Mike, there may be something said about public policy, but that should be left to the municipal elected officials. Not all taxes are the same. In WT, our EIT rate is 1.15% with 0.5% going to the school district, 0.5% going to Wrightstown General Fund and 0.15% going to Wrightstown Open space fund. With ++1500 taxing jurisdictions, there is plenty room for different flavors and error. We also have voter authority to go to 1.25% if we determine a need to help support our open space program.

As an elected official, I am really ticked off that the Legislature is trying to move the responsibility to collect these taxes. The Bucks County Association of Township Officials has already entered a resolution opposing the elimination of the local tax collector position. I assume that they as well as PSATS will oppose this new effort at consolidation of the EIT.

Having said that, I agree that it might make sense for the executive officers of our TCC to enter an appearance at the hearing so as to avoid the appearance of a conflict for Keystone.

Chester Pogonowski, Chair
Wrightstown Township
Board of Supervisors
[REDACTED]



CHESTER COUNTY TAX COLLECTION COMMITTEE

Via Email

July 5, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
4th and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution No. 291 of 2017

Dear Mark,

It was a pleasure speaking to you last week about the upcoming meeting with the tax officers that is scheduled for July 11, 2018. The purpose of the meeting is to discuss House Resolution No. 291 which requires the Department of Revenue to conduct a study regarding the possibility of a statewide collection of local earned income tax replacing the current method, which was revised via Act 32 of 2008. The study is to determine the feasibility and potential cost savings involved with a statewide collection process. Only the tax officers are invited to the July 11th meeting, however, you indicated that you wanted input from stakeholders such as the Chester County Tax Collection Committee (CCTCC). As the administrator for the CCTCC, I have attempted to consolidate the thoughts of our management committee as well as the input received from our 83 member school districts and municipalities. As a courtesy, I have also carbon copied representatives from Keystone Collections Group, the tax officer for the CCTCC since the implementation of countywide earned income tax collection under Act 32 in 2010.

Overall, as you review and evaluate HR 291, we suggest that no changes are necessary recognizing the positive impact of Act 32. The law is working as was intended and the legislature should avoid any well-intended efforts that would inevitably lead to confusion and complication. It should simply be left alone. In fact, it is working so well that lessons learned and success achieved through EIT collection under Act 32 could be applied to the consolidation of real estate tax collection on a countywide basis.

Since 2001, I have served as the Director of Administrative Services for the Chester County Intermediate Unit. Prior to joining the Intermediate Unit, I served as the Director of Business Operations for the Kennett Consolidated School District in Chester County. During my career, I have been actively involved with the Pennsylvania Association of School Business Officials (PASBO), including committees geared toward implementing efficiency initiatives in the area of tax collections. Shortly after Act 32 was enacted in 2008, I helped coordinate a Chester County Study Group made up of county, municipal, and school district officials to help determine how to best implement the collection of earned income taxes under the new statute. Chester County was one of three early implementer Tax Collection Districts statewide that began to collect earned income tax (EIT) under the Act 32 guidelines in 2011, one year ahead of the mandated date. Since that time, I have continued to serve as the Administrator of the Chester County Tax Collection Committee (CCTCC). The responsibilities of this role include:

1. Assisting with the development of the monthly meeting schedule and agenda, distributing information and minutes for CCTCC meetings.
2. Maintaining a database and directory of CCTCC delegate information and assisting with the ongoing communication to the delegates.
3. Coordinating the checking and investment accounts with selected financial institutions. Providing accounting, bookkeeping, monthly reconciliation, and management reports to the CCTCC. Assisting with the development of the annual CCTCC budget and coordinate the annual financial audits.
4. Assisting with the development of all policies and assisting the CCTCC Right-to Know Officer with the dissemination of information.
5. Assisting with the administration of the Tax Appeals Board and delinquent taxpayer policies.
6. Serving as a liaison with Keystone Collections Group, other tax collectors, taxpayers, payroll processing companies, tax collection committees, DCED and other organizations.
7. Negotiating the renewal of the agreement with Keystone Collections Group for tax collections.

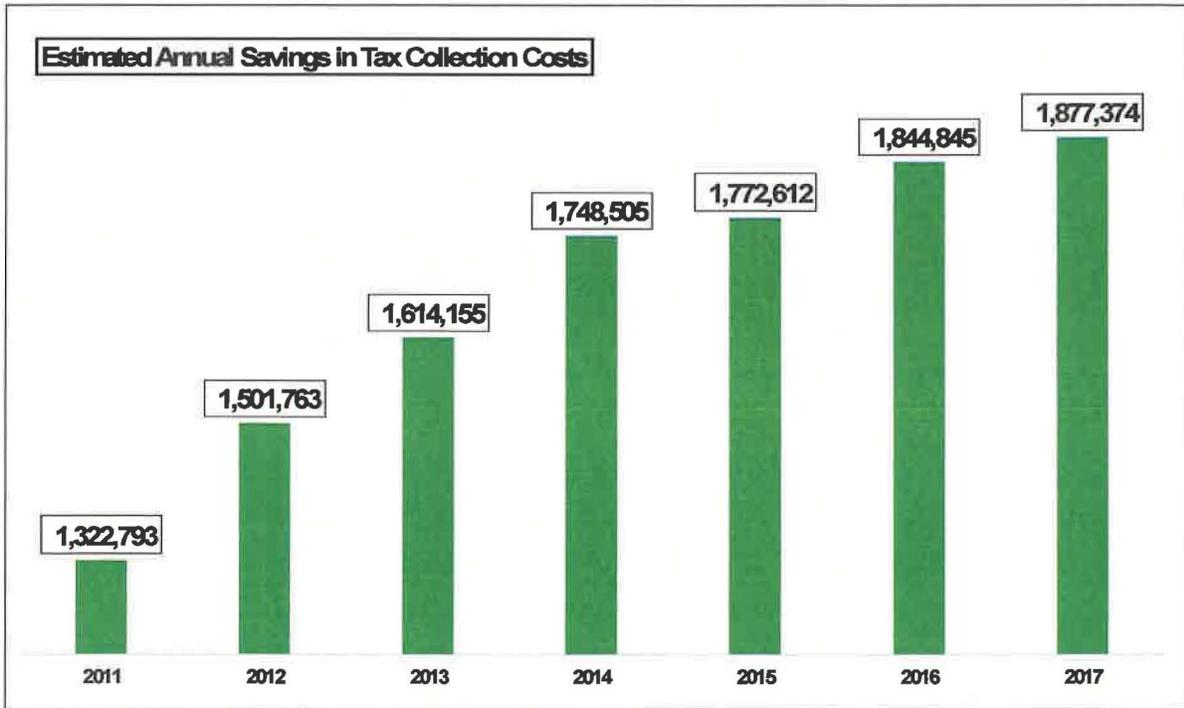
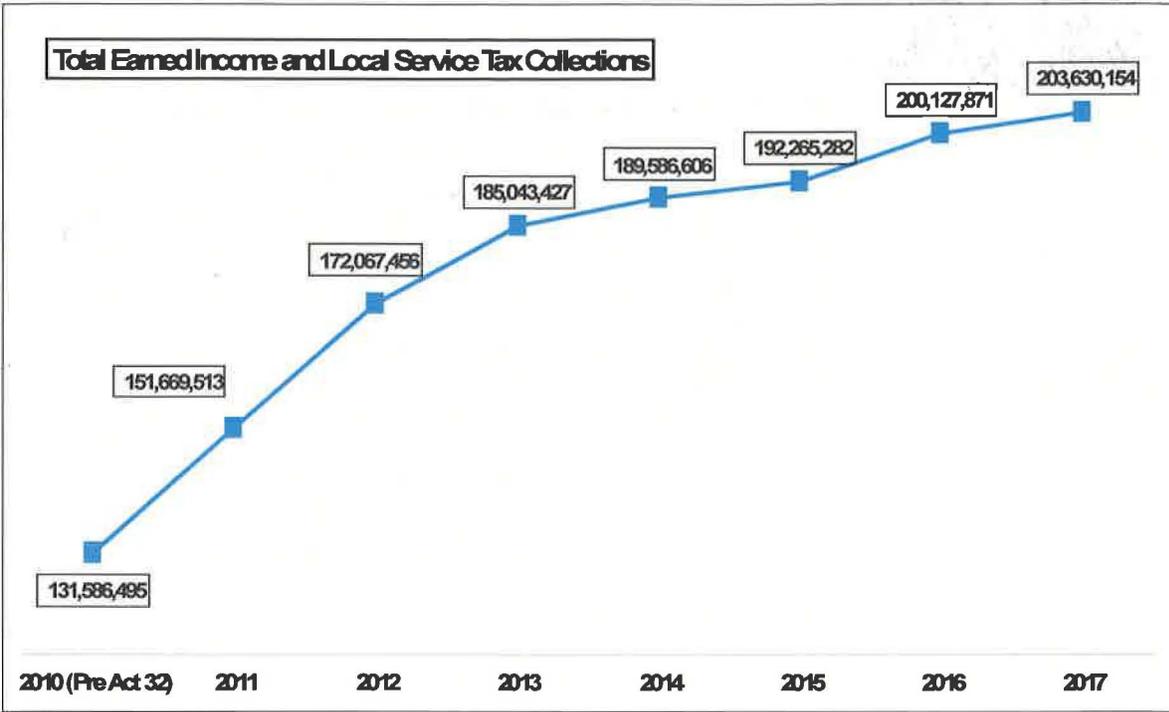
The purpose of my letter is to provide some background information about the impact of Act 32 on the school districts and municipalities in both Chester County and part of Berks County.

What Parts of Act 32 Really Worked on a Statewide Basis:

1. It was a great idea to consolidate the work of the mind boggling number of smaller tax collectors (64 in one county alone) into one central tax collection agency at the county level.
2. The municipalities and school districts have recognized significant savings in collection fees and related costs.
3. Mandatory employer withholding and remittance of EIT and the associated reporting requirements codified the somewhat haphazard system that was in place prior to Act 32.
4. Collaborative efforts of the municipal and school district stakeholders, as well as professional groups, to figure out the requirements of Act 32.

CCTCC – What Really Worked Locally:

1. The Tax Collector Request for Proposal (RFP) process using an RFP format resulted in a better contract that contained clear expectations for the tax collector.
2. Early implementation, despite some early bumps in the road, was successful.
3. The development of TCC Bylaws, governance structure, meeting formats, website, and taxpayer/employer communication programs provided the newly formed group with a solid governance structure. The initial and ongoing intergovernmental agency cooperation of the CCTCC has served as a model in the Commonwealth.
4. Increased collections as well as savings in collection fees for CCTCC members. Total tax collections were \$203,630,154 in 2017, an increase of \$3,502,283 from 2016. At the same time, annual tax collection costs have been reduced by nearly \$1.9 million since 2011. A summary of the collections of earned income and local service taxes, as well as the estimated annual savings to our members, appears below:



What Parts of Act 32 Really Did Not Work on a Statewide Basis:

1. Act 32 required, with limited guidance and no funding, the creation of Tax Collection Committees.
2. The Department of Community and Economic Development (DCED) was not provided the time nor the resources to support the multitude of issues that came with the enactment of Act 32.
3. There was a lack of early, frequent, and consistent communications by the Legislature with employers and payroll companies on new requirements.
4. There were times when DCED needed to exhibit more cooperation and flexibility with early implementation efforts.
5. The employers and payroll companies were caught off guard by Act 32, which led to problems with compliance and development of software program changes during early implementation in 2011.
6. There was an unfavorable ruling by the courts to the CCTCC request to overturn the "Philadelphia Super Credit" which costs the five county TCC's in Southeastern Pennsylvania millions of dollars in lost revenue each year.
7. Some frustration by TCC members with changes in cash flow, reporting, and nuances of Act 32.

CCTCC Member Reactions to House Resolution No. 291

In the attached appendix to this letter, I have included comments received from several CCTCC members about House Resolution No. 291 for your consideration.

Suggestions

Earned income tax collection under Act 32 has been an overall success, helping to increase collections from \$125 million in 2012 to over \$165 million in 2014 in Chester County alone. Likewise, the cooperative efforts between the municipalities and school districts have resulted in a reduction of over \$1 million annually in collection costs during the same time period. The need for a continued and coordinated communication and education campaign by the local TCC is paramount. This needs to be done in conjunction with the selected tax collection agency to be successful. The person or organization responsible for the management of the TCC must be able to disseminate accurate information on a timely basis.

Again, as you review and evaluate HR 291, we suggest that no changes are necessary recognizing the positive impact of Act 32. The law is working as was intended and the legislature should avoid any well-intended efforts that would inevitably lead to confusion and complication. It should simply be left alone. Thank you for your consideration of my thoughts on the effectiveness of EIT collection under Act 32. Please do not hesitate to contact me if you need additional information.

Sincerely,

Joseph P. Lubitsky
CCTCC Administrator

cc: CCTCC Management Committee
CCTCC Delegates
Keystone Collections Group

APPENDIX
HOUSE RESOLUTION NO. 291 - COMMENTS FROM CCTCC MEMBERS

Pennsbury Township – Kathleen Howley

I wonder what was the catalyst behind this resolution? Complaints? If it is truly more cost effective, I would be for that but my knee jerk reaction is that one might have better controls locally (Chester County) than put this into the state's hands. Open for discussion.

West Chester Area School District - John Scully, Business Manager

1. There will be a delay in receipt of tax revenue at the local level. Currently, we receive funds weekly while State subsidies are paid quarterly. The delay in EIT revenues will result in loss of investment earnings.
2. State budget impasse in a given year will cause lack of funding until budget appropriations are approved.
3. The CCTCC will lose the ability to negotiate fee structure on a local level.
4. Loss of relationships with current collectors to handle inquiries and investigations.
5. Will funding be a direct pass through or wrapped in a convoluted state directed funding formula?
6. The State has challenges handling their own financial affairs, why should they handle local imposed taxes?

London Grove Township – Kenneth N. Battin, Manager

Thank you for providing this information to us. The London Grove Township Board of Supervisors met on June 26, 2018 and discussed this issue. The common sentiment was that the State should not interfere with local government. The Earned Income Tax is a local issue, outside the purview of the State, and should remain as is.

House Resolution 291 indicates that the study will be conducted "with input from Counties, Municipalities and School Districts in this Commonwealth", other than this forum a request for input has not occurred. The DCED website (<https://dced.pa.gov/local-government/local-income-tax-information/>) has a brief survey available. Will this be the only input?

What inefficiencies continue to plague the local tax collection process? Then efficiencies and problems should be addressed as they are uncovered. The State should support local/regional efforts to correct these issues as they arise.

Streamlining the collection system was done by Act 32 of 2008. Further changes to this process would take local control and oversight further away from the jurisdictions that have enacted an Earned Income Tax.

Is this just another way that the State is using to generate an income stream? The study is to investigate the feasibility and potential cost savings of a statewide collection system. Who will reap these benefits, if any?

With so many other pressing issues facing Pennsylvania, why should time and resources be expended on an issue that diminishes local authority?

APPENDIX
HOUSE RESOLUTION NO. 291 - COMMENTS FROM CCTCC MEMBERS

East Bradford Township – Michael Lynch, Director of Finance

It would be important to obtain the comments from both CCATO and perhaps more importantly PSATS organizations. While I do not recall that PSATS, as part of its adopted Resolutions from the April 2018 Annual (state-wide) Conference in Hershey, specifically addressed this pending legislation in any of the adopted Resolutions, I would be surprised if PSATS position is not in opposition.

“Government closest to the people is the best government”, [transposed] attributed to Thomas Jefferson – We here in local government do not just believe this because it sounds good but because we see it demonstrated day in and day out – integrity, no party political nonsense, efficient decision making and implementation. If the State gets a hold of this, it runs the real risk of ‘state interference’ in the most vital revenue stream for many, many local governments.

These are not state monies and there is no need for the state to ‘launder’ our resident tax dollars, broker it, filter it, commandeer it, or create another bureaucratic agency with it.

There is a risk that once Harrisburg gets control of the collection and distribution that they will ransom local governments if the state (or one of its agencies) believes a municipality is not complying with any other state mandate that they get their hackles up about and then hold over us – not good.

Was Act 32 a ruse by the Commonwealth to set up a neater, more efficient system to now allow Commonwealth and more accessible takeover? This ‘conspiratorial type’ comment comes from the prior antics and nonsense from Harrisburg so it is somewhat grounded. I am sorry to say that as one local government official (in both East Bradford and East Goshen Townships), I do not trust Harrisburg (Office of Governor, Senate and House) to do our business; it is another attempt to usurp our local government structure and neuter our value to our residents.

Harrisburg is looking for the most ridiculous sources of revenue these days and this will be another potential source for taking some of our residents local dollars.

East Goshen Township – Rick Smith, Township Manager

PSATS adopted Resolution 18-25 opposing legislation that would designate the state as the collector of the local EIT. If the state takes over collection of the EIT, it will probably be better for businesses (a single collector rather the 73 county collectors). However, we will loss control of the collection process, and the state will tell us how much they will charge us to collect the EIT.

Lastly, I am concerned about sending our money to Harrisburg. You never know how much of your money you will get back.

Borough of Kennett Square – Lisa Ionata, Finance Director

1. Our opinions on this might be somewhat dependent on the answers to the following questions:
 - a. What prompted this study?
 - b. What would be the purpose of the State taking over collection of EIT?
 - c. What happens to the collection of LST and Keystone Collections Group?
2. I think that changing the method of collection back to being based on the work location (rather than having to analyze which is higher, work or home) would certainly save employers a lot of time, but I’m not sure if that’s on the table.
3. Right now I get great response time and assistance from Keystone via reports and other methods, is the State prepared to provide such services?

APPENDIX
HOUSE RESOLUTION NO. 291 - COMMENTS FROM CCTCC MEMBERS

East Brandywine Township – Robert Hoffman

Our thought on House Resolution 291 is the collection of the LEIT becoming a state function rather than a township function is not good for the simple reason, the local control of tax collection is better than state control. With state control, we are concerned that there could be the possibility of redistribution of the tax in an unequal amount to other municipalities, whose tax receipts may not be equal to our townships receipts. Additionally, state control may not take into account if one area is 98 percent collection rate vs an area that could be much less.

Warwick Township – Eileen Cameron, Supervisor

On July 3, 2018, the Supervisors of Warwick Township passed a motion (by 3-0) to keep the current tax collection system and deny HR 291.

From: Vern Lauffer <v[REDACTED]>
Sent: Thursday, July 5, 2018 1:17 PM
To: Keystone Client Services <[REDACTED]>
Cc: Jill Spence <[REDACTED]>; Mike Tharan <[REDACTED]>
Subject: Re: HR 291 - Statewide Collection of Local Earned Income Tax

Dear Joe:

I have spoken with the Executive Committee of the Clarion County TCC and would like to share the following thoughts with you from the TCC:

Even though we acknowledge that there are economies of scale in most processes that result in efficiencies and reduced costs, **we, emphatically, do not support the loss of local control in the EIT collection process.**

First of all, our municipalities and schools are very pleased with the transition from Centax to Keystone Collections that has occurred during the county wide TCC approach. Increased collections and timely payments have aided our organizations in day to day operations. The local collection process of all taxes is one mechanism that enables us to pay our bills when the state fails to pass a budget and therefore withholds our subsidies even though taxes are still being collected and deposited into the state's coffers.

As our state and federal governments have shown us time and time again that an organization **CAN** get too large to be administered effectively, local control over this process is the most desirable. We would like to suggest that a regional group of no more than four to six counties may prove beneficial to achieve optimum efficiency if the state must make a change. However, the county level approach to governing EIT collection has shown to be very effective from all aspects and should remain unchanged.

Sincerely,

Vern

Dear Joe,

I fully concur with Vern's reply to your earlier correspondence. I replied to Vern this morning expressing my thoughts historically and from my experiences in local, county, state and federal government over 3 decades, which include elections to offices, grant writing on federal level and prior government employment before retirement. I have also alerted my friend and State Representative of this initial proposal by the Department of Revenue and associated individuals therein regarding the replacement of the Act 32 system.

I will await your future correspondence with Vern for any outcome of the upcoming meetings.

Sincerely,
Mike Tharan, VP
CCTC

-----Original Message-----

From: Julie Griffin <j[REDACTED]>
Sent: Thursday, July 05, 2018 10:15 AM
To: Lawson, Jayson J. <[REDACTED]>
Subject: State Collection of EIT and LST Taxes

WARNING: This email originated from outside the Keystone Collections Group email system. Do not click unknown links or open unexpected attachments.

Jayson,

During the council meeting on Tuesday, July 3, 2018 the discussion took place regarding The Department of Revenue replacing the current Act 32 system with a statewide collection process housed in the DOR. Eliminating local control and oversight by the TCC was unanimously agreed upon to be something the Borough of Tionesta would not be in favor of.

Currently the collections are made and distributed in a timely manner with distributions weekly and resolution of funds finalized on a monthly basis. These funds help small municipalities keep cash flow coming regularly and at times this can be a great benefit. The customer service received by Keystone is easily accessible without drawn out wait times and problems resolved most often within minutes or within the same day.

Experiences with State agency's tells us that all of the above would not be the case. We don't believe the funds would be distributed as regularly as they are now and are certain that the accessibility for information to ask a question or resolve a problem would not a timely process as it is now. Nor would be the level of customer service.

Please let them know at your July 11th meeting that we are NOT in favor of this transition!

If you need anything formal from us please let me know and I'll do my best to see that you get what you need.

Sincerely,

--

Julie Griffin
Administrative Assistant
Tionesta Borough
631 Elm St.
PO Box 408
Tionesta, PA 16353
814-755-3502
814-755-2497 Fax
[REDACTED]

From: Robert Long, Jr. [REDACTED]
Sent: Tuesday, July 03, 2018 11:16 AM
To: Lazzaro, Joseph W. [REDACTED]
Subject: July 11 Meeting

Joe,

I don't think there is any question that EIT Collection and Distribution as established by Act 32 has been a vast improvement over the prior system. So, I believe the current system should continue with the focus being on improving the Act 32 established process. DCED needs manpower to help it fulfill its responsibilities of administering the system. I would suggest that existing collectors contribute to a DCED Consolidated EIT Collection Administration Fund to provide financial resources for the department to do so. I'm also in favor of replacing TCC delegates with an elected 5 member council. I would also like to see the annual forms utilize the numbers from the 2 classes of income as reported on the Pa return as the basis for calculating the taxable local income.

You know, the Act 32 study report just came out in October 2016 and it was pretty obvious that Act 32 worked and worked well. I have attached that report.

Robert T. Long, Jr. , CPA
Finance Director
College Township / College Township Water Authority
1481 E College Ave
State College PA 16801
Phone: 814-231-3021 x2206 Internet: www.collegetownship.org



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From: Lisa Swisher [REDACTED]
Sent: Monday, July 02, 2018 9:33 AM
To: Lazzaro, Joseph W. [REDACTED]
Subject: RE: HR 291 - Statewide Collection of Local Earned Income Tax

Joe,

Considering the money we just spent to get our committee in line with everything and having the proper collector, how much more money is this new bureaucracy going to cost us in addition to that? We don't need more red tape and higher costs to do what we are already doing. I think it is just one more step in someone's agenda to eliminate municipalities. That is strictly my opinion. I will ask the Supervisors if they have any concerns to forward to you.

Lisa J. Swisher
Granville Township Manager
100 Helen Street
Lewistown, PA 17044
(717) 242-2334

BOROUGH OF BURNHAM

Burnham Municipal Building

200 First Avenue

Burnham, Pa 17009

Phone (717) 248-2692

Fax (717) 447-0205

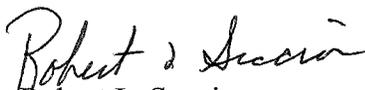
As regards any proposal that the Department of Revenue centralize local earned income tax collection (EIT taxes) and take it out of the control and oversight of local authorities and the Mifflin County Tax Collection Committee, the Borough of Burnham vigorously opposes the same.

The Borough believes that shifting EIT tax collection to the Department of Revenue would make it cumbersome to access our tax data, especially during evenings and weekends, take auditing out of the hands of local authorities and make tax distribution a one size fits all for the State which may not be a benefit or appropriate for our area and taxpayers. We also submit that actually speaking to "a person" at the Department of Revenue to ask questions or make requests on a timely basis will be difficult if it is the Department of Revenue that needs to be contacted to address tax collection questions and requests. Anyone who has attempted to contact a Commonwealth agency can attest to the lack of responsiveness that seems to occur with a larger bureaucracy.

Furthermore, the Tax Collection Committee and its tax collector collect more than just EIT Taxes. Local Services Taxes and delinquent tax collections are also subject to the oversight of the Tax Collection Committee and are part of the responsibility of the Tax Collector. Breaking up this combined tax collection by the same Tax Collector and removing EIT collection from local control and oversight, will make it less economically feasible to continue to collect the remaining taxes.

In conclusion, as far as a benefit for the local community, there will be little or nothing to be gained for the school districts and the municipalities if the proposed change is adopted.

Sincerely,



Robert L. Soccio
Burnham Borough
Council President

RESOLUTION

2018 - 11

RESOLUTION TO OPPOSE PENNSYLVANIA HOUSE RESOLUTION 291

BE IT RESOLVED, upon review of Pennsylvania House Resolution 291 directing the Department of Revenue to examine centralizing the collection, distribution and administration of local earned income tax revenue within the Department of Revenue, the Board of Supervisors of the Township of Derry, Mifflin County strongly opposes the same for among other reasons, such centralization would eliminate local control and oversight by the current local Tax Collection Committee as well as the current Act 32 of 2008 Earned Income Tax collection system and in doing so would substantially negatively impact the local community.

ADOPTED AS A RESOLUTION for Derry Township, Mifflin County, Pennsylvania this 2nd day of July, 2018.

BOARD OF SUPERVISORS
DERRY TOWNSHIP, MIFFLIN COUNTY
PENNSYLVANIA

John E. McCullough
Chairman

Paul E. Yeh
Vice Chairman

Donald R. Wawrzyn II
Supervisor

ATTEST:

Kelly J. Shutes
Secretary

McVeytown Borough
P.O. Box 321
McVeytown, PA 17051
Tel. (717)899-6323
Fax (717)899-6427

July 6, 2018

Joseph W. Lazzaro
Vice President/General Counsel
Keystone Collections Group
546 Wendel Road
Irwin, PA 15642

RE: PA House Resolution 291

Dear Mr. Lazzaro:

I am responding on behalf of the Council of McVeytown Borough, Mifflin County, Pennsylvania regarding Pennsylvania House Resolution 291 directing the Department of Revenue to examine centralizing the collection, distribution and administration of local earned income tax revenue within the Department of Revenue which would eliminate the current collection, distribution and administration from the current Keystone Collections Group that is overseen by the local Tax Collections Committee.

McVeytown Borough Council is opposed to this change and would like to continue to use the current Keystone Collections Group that is overseen by the local Tax Collections Committee.

If you have any questions, please contact me at (717) 899-6323.

Sincerely,



Jodie L. Barger
Borough Secretary

:

July 4, 2018

Robert Long
Mifflin Tax Collection Committee
State College, PA 16801

Joseph Lazzaro
Keystone Collections Group
Irwin, PA 15642

Messrs. Long and Lazzaro:

Happy Independence Day!

We were asked to respond to House Resolution 291 and agree that statewide centralization and control of local taxes is absolutely the wrong direction for Pennsylvania government to head towards. As a small rural township, every day, we see the immense benefits of local, creative, flexible decisions that directly and immediately allow our government to serve its citizens efficiently, intelligently and properly.

So please reverse Resolution 291 and consider using your resources to assist small communities with modernization, equipment, technology and funds that will augment our local powers and minimize the bureaucracy of big government. State government is best for the large issues, leave what we do best to us.

Thank you and have a great '4th'.



Keith Mernin
Chairman
Representing Union Township Supervisors
Belleville, PA 17004

From: Woglom, David L. <[REDACTED]>

Sent: Tuesday, July 3, 2018 9:15:06 AM

To: 'Allen'; 'Allen/Nazareth'; 'Bangor'; 'Bangor'; 'Bangor'; 'Bangor SD'; 'Bangor SD A'; 'Bangor SD AA'; Bradford Flynn; 'Bethlehem'; 'Bethlehem A'; 'Bethlehem Schools'; 'Bethlehem Schools A'; 'Bethlehem SD A'; 'Bethlehem Twp'; 'Bushkill'; 'Chapman'; 'Chapman A'; 'East Allen'; 'East Allen A'; 'East Bangor'; 'East Bangor'; 'Easton'; 'Easton SD'; 'Easton SD A'; 'Forks'; 'Forks A'; 'Fountain Hill'; 'Fountain Hill A'; 'Freemansburg'; 'Freemansburg A'; 'Freemansburg A'; 'Glendon'; 'Hanover'; 'Hanover A'; 'Hellertown'; 'Hellertown/LS/LSSD A'; 'Hellertown/LS/SVSD A'; 'Lehigh'; 'Lehigh'; 'Lehigh A'; Lower Mt. Bethel; Lower Mt. Bethel; Lower Nazareth; 'Lower Nazareth'; 'Mike Gaul'; 'Moore'; 'Nazareth A'; 'Nazareth A'; 'Nazareth SD'; 'Nazareth SD A'; 'Nazareth SD A'; 'Northampton'; 'Northampton A'; Northampton Schools A; 'Northampton SD'; 'Palmer'; 'Palmer A'; 'Pen Argyl'; 'Pen Argyl SD/Wind Gap'; 'Plainfield'; 'Plainfield'; 'Portland'; Rose Harr; 'Roseto'; 'Roseto A'; 'Stockertown'; 'Stockertown'; 'Tatamy'; 'Tatamy'; 'Upper Mt. Bethel'; Upper Nazareth; 'Washington'; 'Washington A'; 'Washington AA'; 'Williams'; Wilson; Wilson SD; 'Wilson SD'; 'Wind Gap A'

Subject: Statewide Collection of EIT

Dear TCC Delegates and Alternates—

As you may know, the state legislature has authorized the Department of Revenue to complete a study about the feasibility of centralizing collection of EIT at the state level. Attached is a letter from Keystone to our member municipalities and school districts soliciting your input to them concerning this study.

This week, in response to a letter I received from the State Department of Revenue, I talked with a staffer and told him that our TCC members were very pleased with the outcome of Act 32 and how it increased our EIT revenues and lowered the cost of collection—therefore, a winner on both fronts. I also told him that I was concerned over the concept of the state assuming control of EIT collection given our successes under the current system. At his request, I also followed up this conversation with a brief email summarizing what I had said to him.

Please feel free to respond to Rose Harr's letter above if you wish. If you have any questions, please don't hesitate to contact me.

Dave Woglom

From: Bradford Flynn [REDACTED]
Date: July 3, 2018 at 9:34:02 AM EDT
To: "Woglom, David L." [REDACTED]
Cc: Rose Harr [REDACTED]
Subject: Re: Statewide Collection of EIT

WARNING: This email originated from outside the Keystone Collections Group email system. Do not click unknown links or open unexpected attachments.

Hi Dave and Rose,

On behalf of the Borough of Bath, as manager, I oppose any changes to Act 32. For the reasons listed in a letter dated 06/28/2018 by Rose Harr of Keystone Collections, there should be no changes to what I've personally experienced as a successful Act 32 program. If there are problems with Act 32 elsewhere I am unaware.

The Borough has realized some of the highest EITs returns through this program. I am personally comfortable with the level of service, professionalism, speed, and accuracy to which our EITs are collected by Keystone. I also believe these taxing issues belong in the realm of local control, through our TCC. This works best in our area.

If changes become inevitable to Act 32, I would respectfully request legislation with enabling language, giving municipalities choice rather than mandate. If our Lehigh Valley municipalities are comfortable with our TCC and Keystone making the collections, then we should be given the right to continue business as usual.

Thanks,

Brad Flynn, Borough Manager
Borough of Bath

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From: "Woglom, David L." [REDACTED]

Date: July 2, 2018 at 2:30:02 PM EDT

To: [REDACTED]

Cc: Rose Harr [REDACTED] Ruch [REDACTED]

Subject: EIT collection

Mr. Morabito:

Pursuant to our conversation today, on behalf of the Lehigh and Northampton TCCs, I want to let you know of the great pleasure we have all experienced with the implementation of Act 32. Costs are down and EIT revenues are up for all of the municipalities and school districts in both county areas. Both Keystone Collections and Berkheimer have done an excellent job for all of the municipalities and school districts.

Further, I would be very concerned over the practical results of the state taking over EIT collections in the future. With all that the state is involved in, I must question why any legislator would want to "fix" the collection of EIT when the system is not "broken".

If you should need any additional input from either this email or the much longer phone conversation we had today, please don't hesitate to contact me.

David L. Woglom
Administrative Director
Northampton TCC
Lehigh TCC
610-330-5856

From: Morabito, Mark [REDACTED]
Sent: Tuesday, July 03, 2018 1:04 PM
To: Cathy Hartranft [REDACTED]
Cc: Harr, Rose M. [REDACTED]
Subject: RE: State wide collection of EIT

Ms. Hartranft – I appreciate your candid input.

Thanks.

Mark

From: Cathy Hartranft [REDACTED]
Sent: Tuesday, July 03, 2018 12:03 PM
To: Morabito, Mark [REDACTED]
Cc: [REDACTED]
Subject: State wide collection of EIT

On behalf of the Borough of Hellertown, I want to let you know of the great success we have all experienced with the implementation of Act 32. The implementation of Act 32 has been very beneficial to all parties involved. Costs are down and EIT revenues are up for all of the municipalities and school districts in both county areas. Further, it is of great concern over the practical results of the state taking over EIT collections in the future. With all that the state is involved in, why any legislator would want to “fix” the collection of EIT when the system is not “broken”.

To reiterate Mr. Finnigan’s remarks:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet your needs

Cathy Hartranft
Borough Manager
Borough of Hellertown
685 Main Street
Hellertown, PA 18055
610-838-7041
www.hellertownborough.org

From: Robin Zmoda [REDACTED]

Date: July 5, 2018 at 9:55:22 AM EDT

To: [REDACTED]

Cc: [REDACTED]

[REDACTED]

Subject: RE: Statewide Collection of EIT

Mr. Morabito:

As a member community of the Northampton County Tax Collection Committee and past treasurer of the committee, I wanted to express my concern in having the state assume the collection and disbursement of local earned tax.

The implementation of Act 32 has been very beneficial to all parties involved and the current system is working extremely well. It is crucial that our communities maintain local control and oversight of these tax revenues, adding a level of bureaucracy would only lead to complications to the system that is not welcomed.

The present benefits of the system currently in place include:

- Municipalities receive weekly disbursement of your revenue
- We have 24/7 access to our tax data
- We receive customized reports for local budget projections and community impact analysis
- Transparent auditing of collection and distribution of tax revenues
- Employer and individual compliance enforcement
- Tailored assistance to employers, payroll companies and tax preparers
- Extended service hours (evenings and weekends) during tax season
- In-house technology development and a legal team to meet our needs

As a small community these benefits have enabled us to receive, budget and account for the revenues in a most efficient manner. I strongly believe this is the best practice to continue and should not be moved to a state-run system.

Sincerely
Robin Zmoda

Robin Zmoda
Pen Argyl Borough Manager
11 North Robinson Avenue
Pen Argyl, PA 18072


<http://www.penargylborough.com/>
Phone 610-863-1822
Fax 610-863-7543



July 10, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution No. 291 of 2017

Dear Mr. Morabito,

From the perspective of Washington County municipalities and school districts, the Commonwealth of Pennsylvania is attempting to solve a problem that does not exist. Since the passage of Act 32, the Washington County Tax Collection District has worked with our appointed tax official, the Keystone Collection Group, to implement a process for Earned Income Tax collection that is both efficient and effective. Local Washington County taxing authorities have seen dramatic increases in tax revenues over that which was collected prior to 2012. Enclosed are charts and graphs which document the success of our program. At the same time, many municipalities and school districts have seen their costs of collection dramatically decline.

By implementing Act 32, Keystone Collection Group, as well as the other third-party tax services, have made sizable investments in technology and process development. It seems patently unfair that the Commonwealth would ignore that effort and investment by assigning local earned income tax collection to the Pennsylvania Department of Revenue. Whatever advantages that the proponents of this shift in public policy envision will be more than offset by the impact felt by municipalities and school districts from disrupting this vital source of funding. For many municipalities, Earned Income Tax revenues represent up to 50% of all tax revenues.

Another important aspect of current Earned Income Tax collection process is the timely deposit of funds. For many municipalities and school districts cash flow can be a challenge. Under the current Earned Income Tax collection process funds are collected, accounted for, and distributed on a weekly basis. Our collective experience with the Commonwealth's ability to distribute funds to municipalities and school district calls into question the Department of Revenues ability to distribute funds on a weekly basis. Failing to do so will result in additional municipalities seeking wasteful tax anticipation notes.

Rather than usurping the role of the County Tax Collection Districts, the Commonwealth of Pennsylvania should be supporting their efforts through employer education and audits. Furthermore, to improve procedural efficiencies, the responsibility for the collection of all locally levied payroll-based taxes, including the Local Service Tax, should be collected by the Tax Collection Districts.

If the Commonwealth of Pennsylvania chooses to pursue collection of local income taxes through the Department of Revenue, the following principles must be incorporated into the process:

1. Service fees should not exceed 1.5% of collection;
2. Funds must be transferred electronically to local taxing authorities on a weekly basis;
3. Geodata verification of taxpayer addresses must be incorporated into the collection process to insure crediting the correct taxing authority;
4. Extensive employer audits must be performed to ensure that taxes are being collected and payments are being sent to the appropriate taxing authority: and
5. Responsibility for collection of the Local Services Taxes should be transferred to the Department of Revenue.

To effectively implement statewide collection of a local income tax, Pennsylvania will be required to change the basis of taxation from an Earned Income Tax to a Personal Income Tax. Amongst the municipalities and school districts, not only in Washington County but across the state, there is no doubt strong opinions as to the wisdom of implementing such a change. Failing to do so however would confuse taxpayers as they file their annual returns or could necessitate filing multiple returns to the Department of Revenue.

It is certainly appropriate and laudable that the Pennsylvania Department of Revenue has reached out to the appointed tax collectors and scheduled in-person discussions. They certainly have much at stake from your study. I am, however, surprised and disappointed that your process does not afford the Tax Collection Districts that same opportunity. While Keystone Collection Group and the Washington County Tax Collection District may have similar concerns, only the District can speak for the interest of the municipalities and school districts which we have been appointed to serve. The Washington County Tax Collection District looks forward to be afford the opportunity to speak directly with those charged with conducting this study.

Sincerely



Paul F. Lauer

Chairman

Washington County Tax Collection Committee

- cc. Honorable John Maher
Honorable Bud Cook
Honorable Jim Christiana
Honorable Jason Orititay
Honorable Timothy J. O'Neal
Honorable Pam Snyder
Honorable Rick Saccone

Lebanon County Earned Income Tax Collections/Distributions Perspective on recent history/experiences

Lebanon County consolidated local tax collections decades before our Commonwealth mandated it via the passage of Act 32. We formed the Lebanon County Earned Income Tax Bureau over 40 years ago and it was overseen by a board comprised of one representative from each of the six public school districts. Eventually, all local municipalities saw the value in this consolidation and chose to join the Bureau.

However, as you are well-aware, we got burned and Lebanon County taxpayers had to endure and pay for the settlement of a mess created by our “over/under” payment debacle and missing funds.

It is important to point out, that during the course of this very difficult and expensive experience, we learned many valuable lessons. We learned about the importance of proper controls, policies and audit processes. We learned the importance and significant expense of investing in the best technology and the critical importance of accurate/timely data on the front end. We also learned the incredible complexities associated with earned income collection & distribution.

When the EIT board discovered a problem in our local office, they closed the local office and contracted with a for-profit collection agency – Keystone. Lebanon was Keystone’s first county-wide client and the contract functioned reasonably well during the initial contract term. However, with the enactment of Act 32, many other counties sought help from Keystone and their business grew significantly.

We formed the TCC as was required under the Act, but also determined that we would maintain the EIT to help settle the lingering legal battles in our community from the EIT Bureau. We felt that we needed to create a new and better model to support the different needs of our community. All school districts and larger municipalities have managers and/or business managers that are relatively adept at monitoring EIT collections. However, the smaller municipalities that we serve, often lack resources and expertise in this area.

We needed a model that supports those diverse needs – and we believe we have a proven model that does the job extremely well and provides great value for our taxpayers. Keystone is an important player, but not the only factor. The Cornwall-Lebanon School District has allowed their Business Office to provide daily administrative support for the TCC. We pay a small stipend to the District – and we are very grateful. This is a tremendous value, resource and savings for the taxpayers of Lebanon County – we all share a \$5000 annual cost to maintain a local office.

We also conducted a search to find additional administrative support and were fortunate to find Tom Baum, who agreed to work for us on a consulting basis. Tom ran Lancaster County’s EIT office for nearly a decade before leaving to return to his family’s business, based here in Lebanon County. Tom’s knowledge and experience in EIT collections is widely known and respected throughout the state. He is a tremendous asset to us and would be to anyone who might be seeking to evaluate or modify the current laws and processes.

The growth that Keystone experienced following the enactment of Act 32 resulted in some service issues with Lebanon County and our relationship with Keystone deteriorated. We began to review other possible options, rather than renew our existing contract. We formed a strategic planning committee to include local accountants, business managers and others with expertise in EIT collections. In addition to seeking proposals from for-profit and non-profit agencies, we also spent time reviewing the feasibility of

re-establishing a local Lebanon County Bureau. After all, it was a solid model. The problems we experienced resulted from a lack of investment in technology and proper controls and management.

However, that local office concept faded rather quickly when we assessed the tremendous initial investment and recurring costs to maintain a local office. The other agency contract proposals we considered were either more expensive or not qualified. So, we decided it was best to sit down with Keystone, identify the challenges at hand and trust them to focus more attention on their reporting and customer service for Lebanon County.

I am pleased to be able to report that we made a very solid investment and a sound business decision. During the past five years, Keystone reps attend every TCC board meeting and their reporting is timely and accurate. Every audit we've conducted affirms this. They have been a tremendous resource to our local school districts and municipalities and we have a very good working relationship. I invite you to contact any local school or municipal manager to invite their input.

But more importantly, since the enactment of Act 32, we have all seen steady improvement in the entire process – and that is not only in Lebanon County. Those of us involved directly know the incredible complexity associated with local EIT collections/distributions. We also understand the tremendous expense required to do it accurately and efficiently. Keystone has automated systems in place that scan incoming payments and make automatic transfers to our school districts and municipalities daily.

Keystone has made those system and technology investments and continues to do so. We now share those expenses with many other counties. Act 32 required employers to supply more accurate and timely data on the front end. This has resulted in continued improvements to our cash flow and net revenue – every year since its inception. At our February 2018 TCC meeting, our Keystone representative reported a net revenue increase for Lebanon County's 2017 FY EIT of 4.1%. That equates to nearly \$1.4 million in additional revenue compared to FY 2016 that benefitted all school districts and municipalities.

Our local TCC Board, is now comprised of six school district reps and six municipal reps. We are committed to our contract with Keystone and the terms and conditions of Act 32. While nothing will ever be perfect, we believe our current model is efficient, accurate and effective. More importantly, this locally-managed process tailors the process to meet the needs of our constituency. It is difficult for us to imagine any statewide system that will match that level of detail and service. We believe this would be a big mistake.

Therefore, we do not support any actions to authorize any agency stepping in to replace this model. Considering all the complexities and expense associated with EIT, we strongly oppose a centralized model. We would support and participate in any reasonable discussions as to how we might consider improvements to the existing model. Please contact us if you would like more information.

Michael J. Kuhn, Chairman
Lebanon County Tax Collection Committee

MEMO TO: Senator Mike Folmer
Representative Frank Ryan
Representative Russ Diamond

FROM: Mike Kuhn
Chairman, Leb. Co. TCC

DATE: July 25, 2018

RE: HR 291/PA Dept. of Revenue

I am writing on behalf of those of us who volunteer our time to serve on the Lebanon County Tax Collection Committee (TCC), which as you know, is responsible for the oversight of all Earned Income Tax (EIT) collections and disbursements for all municipalities and school districts in Lebanon County.

More importantly, I am writing to express our collective frustration and concern about the future of EIT collections. Several months ago, we learned through our Keystone representative, that there was a movement at the state level to consolidate EIT collections and HR 291 authorized a “study” to determine the feasibility and/or value associated with a centralized process under the direction of the PA Department of Revenue.

When we learned of the proposal, our board immediately and unanimously authorized me to voice our concerns on their behalf. I have attached a brief summary of that document, which outlines some of our history and concerns. We also asked Keystone, as our contractor, to keep us informed of any developments. Additionally, Ron Fouche has reached out to over 20 other county TCC organizations to inquire about their knowledge or support of statewide consolidation.

We have yet to identify anyone, at any local level, who supports this concept. Conversely, we have identified many who share our concern and objection to the idea.

Additionally, you will see an attachment to this note from Joe Lazzaro, an attorney with Keystone who attended and participated in a tax officers meeting with Department of Revenue officials. I encourage you to read Joe’s summary. I also ask that you do what you can to ensure that our concerns are heard and addressed.

Joe states in his letter that, “Revenue officials cite budget constraints as the reason they are not seeking input directly from municipalities and school districts. The study leader offered to accommodate a conference call with the TCCs, should you request one.” If that information is factual (and I trust that it is), that response from a “study leader” is unacceptable.

The school districts and municipalities are the ones who are most involved and at risk. To cite budget constraints is an insult. In Lebanon County, we can produce a wealth of expertise, through elected officials, school and municipal business managers and a paid consultant (Tom Baum) who have incredible experience and knowledge.

I am disappointed that this process is this far along and nobody has taken steps to seek input from those who would be affected directly by this decision and I hope that you can help to ensure that our concerns

are heard. We will make ourselves available to meet in person or via a conference call, of that's the best we can do.

Thank you in advance for your understanding and anything you can do to help.

The Montgomery and Bucks County Tax Collection Committees

August 2, 2018

Mark Morabito
Special Assistant to the Deputy Secretary
For Compliance and Collections
H.R. 291 Study Lead
Pa. Department of Revenue
Executive Office
4th and Walnut Streets
Harrisburg, PA 17128

RE: *H.R. 291 Statewide EIT Collection Study*

Dear Mr. Morabito:

On behalf of the Montgomery and Bucks County Tax Collection Committees we would like to comment upon House Resolution No. 291 by noting the great success our municipal and school district members have had in the collection of earned income taxes under Act 32 of 2008.

Our principal concern is with the basic premise of the Resolution, its assertion in the fifth “Whereas” clause that:

[I]nefficiencies continue to plague the local tax collection process to the detriment of school districts and municipalities in this Commonwealth.

See H.R. 291, at p. 2. With all due respect, we have not seen any such “inefficiencies” that would warrant the replacement of the TCCs with the statewide centralized collection of EIT by the Department of Revenue (“DOR”). On the contrary, our TCC members have achieved great efficiencies in the collection and disbursement of EIT revenues with a high degree of accountability and financial integrity.

Consolidating EIT collection in each county under Act 32 has allowed our municipalities and school districts to retain the local control that is so crucial to preserving accountability and has enabled our TCCs to achieve the objectives the General Assembly established when it passed this groundbreaking legislation. As you know, the success of the Act 32 cooperative governance structure was recently recognized by the joint Legislative Budget and Finance Committee and, even more importantly, has been proven by our TCCs' actual experience since Act 32 was fully implemented in 2012.

Our tax officers, Berkheimer and Keystone, have developed highly sophisticated IT capabilities that have overcome the many technical problems inherent in the necessarily complex tasks involved in countywide EIT collection. They include, but are not limited to, accounting for the multiplicity of tax rates and varying tax credits and the comprehensive and transparent reporting of tax revenues - and doing all of this at substantially lower cost to the benefit of taxing authorities and taxpayers alike. Buoyed by these results, the Legislature ratified the enduring value of the Act 32 tax collection system when it passed Act 172 in 2016 allowing municipalities to give well-deserved EIT tax credits to their volunteer firefighters and other first responders – something that would not be technically feasible under the centralized statewide collection system contemplated by H.R. 291.

The October 2016 Budget and Finance Committee Report

The striking success of Act 32 was confirmed by the Legislative Budget and Finance Committee in its October 2016 Report, *The Impact of Act 32 on the Collection of Local Earned Income Taxes* based on a statutorily mandated audit of the Act 32 tax collection system. Although H.R. 291 cites that report as crediting Act 32 with an annual \$173 million increase in EIT collections, the report also found that:

1. Act 32 “has been successful in improving timeliness, and simplifying and increasing the amount of earned income taxes collected”;
2. Many stakeholders have recommended that Act 32 be used as a model to modernize the collection of other local taxes; and
3. Many other features of the Act 32 tax collection system have been lauded such as low tax collector fees, financial annual audits of the TCCs and annual SOC-1, Type II technology and security audits of their tax officers.

While noting the significant cost savings and increased EIT revenues attributed to Act 32 the joint legislative committee report recommended some improvements - most of which related to the oversight role played by the DCED - but in the end *embraced* Act 32. It is clear from the report that the primary goals of Act 32 have been achieved: streamlining the EIT collection process; increasing the efficiency of collections; reducing the cost of

collection, and providing EIT revenues to school districts and municipalities more quickly.

Our Experience

As noted, our tax officers Berkheimer and Keystone have developed specialized technology that seamlessly processes payroll withholding and distinguishes among multiple tax rates in varying jurisdictions. Our TCC members - school districts and municipalities alike – now receive *weekly* disbursements of EIT revenues, a capability that we understand DOR lacks.

When required by law, funds designated for particular uses (such as for the preservation of open space, Act 205 pension funding, Act 47, Act 172, etc. in jurisdictions where they are applicable) are identified and separated from general revenue funds for tracking and compliance. Notably, from 2012 through 2017 EIT collections have grown by at least 30% for each TCC at a cost of under 1.4% of tax revenues, with a combined cumulative cost savings of at least \$35 million since Act 32 was fully implemented.

The many benefits our TCCs currently receive under Act 32 will be at risk if control of local tax EIT collection is centralized at the state level, including:

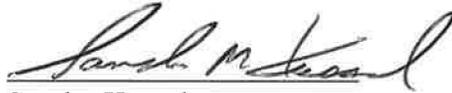
- Weekly disbursement of EIT revenue;
- 24/7 access;
- Customized reports for local budget projections and community impact analyses;
- Transparent auditing of collection and distribution of tax revenue;
- Employer and individual taxpayer compliance enforcement;
- Tailored assistance to employers, payroll companies and tax preparers;
- Extended service hours (evenings and weekends) during tax season;
- In house development and customization by our tax officers;
- More efficient delinquent tax collections and legal support; and
- Expeditious and equitable resolution of tax appeals.

Going Forward

As the two largest TCCs by total EIT revenues in Pennsylvania, we fully recognize that operational enhancements can be made and our TCCs are committed to making them happen. We stand ready to work with DOR and other stakeholders to constructively address electronic filing and local/state information sharing, as well as any steps that may be taken to address the legitimate concerns of employers and tax preparers.

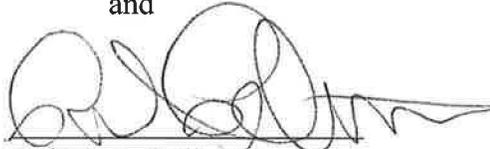
We would be happy to provide any further information to you as the study proceeds. In the meantime, please feel free to contact Sandra Kassel at (215) 541-2446 or [REDACTED] and Robert Pellegrino at (215) 357-6800 or [REDACTED]

Sincerely,



Sandra Kassel
Chair
Montgomery County Tax Collection Committee

and



Robert M. Pellegrino
Chair
Bucks County Tax Collection Committee

cc: Montgomery County and
Bucks County TCC Delegates

Armstrong County Tax Collection Committee
c/o Lisa Lichanec
874 Logansport Road
Ford City, PA 16226
[REDACTED]

July 9, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
[REDACTED]

Dear Mr. Morabito,

I am writing today in reference to House Resolution No. 291 of 2017 requiring the Department of Revenue to conduct a study regarding the possibility of statewide collection of local tax, replacing the current method, which was revised via Act 32 of 2008.

I would like to express our opinion on this matter. When Act 32 of 2008 was passed, it put a burden on municipal officials to scramble & try to figure out how we were going to tackle the current method of collections. That was when our committees were first formed and not a lot of direction was given to our groups as to how it was all to be handled. Our Group decided to go with Central Tax Bureau & that did not turn out so well. It was a long drawn out process which we hope not to have to go through again. Currently, we have Berkheimer Tax Administration. Things are running very smooth now & our group does not see any need for any type of change. All municipalities saw an increase in revenue once we got straightened out from the Central Tax issue. We are about to renew our contract with Berkheimer and they stated they will be lowering our cost for collection, so our municipalities will see even more of a savings. Why would we want to make any changes to a system that is working!!

Again, let me state that currently Armstrong Co. municipalities have seen an increase in revenue & a decrease in cost. If the collections were moved to Harrisburg we would lose our local control of collections and collections may be delayed. We just cannot see any reason to change a system that is currently working well and keeping costs down.

Should you have any questions, do not hesitate to contact me at (724) 763-2294 or
[REDACTED]

Thank you again for your time & consideration.

Sincerely,

Robert Conklin, President

Lisa Lichanec, Secretary-Treasurer

Morabito, Mark

From: Doreen Secor [REDACTED]
Sent: Wednesday, July 11, 2018 1:07 PM
To: Morabito, Mark
Subject: HB 291 Study

Mr. Morabito,

Please accept this email as my feedback regarding statewide collection of EIT in Pennsylvania. I am the Chairman of the Bradford County Tax Collection Committee and Business Manager of the Towanda Area School District. Although the process under Act 32 to consolidate countywide was a tedious process with much contention, it ultimately was a very good process for all of us. It has streamlined the process and provided all municipalities and schools a steadier stream in revenue at a much lower cost to collect.

Having worked with the state in my school capacity for the last 24 + years, I have not found that they can effectively and efficiently take over any revenue processing. In fact, we have seen things like social security subsidy delayed and negatively impacting the school over the years. I believe that by using a collector like Berkheimer in the collection of the EIT the impact locally has been positive. A contracted collection provider has an incentive to work its hardest to provide a great service in order that their contract will be renewed. The state has reduced personnel in all divisions I deal with which has caused a severe lack of service to schools and municipalities. The current system under Act 32 not only works, but also is highly efficient.

If the state legislature wants to save schools and municipalities money, they should be looking at the collection of real estate taxes. The current elected tax collection system is antiquated, inefficient and cost taxpayers more than necessary. In this age of technology, the collection should be at a county level and done through the same process as EIT. One contracted collector for the entire county that reports tax collection through electronic files to municipalities and schools. AT the very least each municipality/school should be allowed to collect their own taxes.

Thank you for providing an opportunity for response.

Sincerely,

Doreen

Doreen M. Secor
Business Manager
410 State St
Towanda PA 18848
570-265-9154 Phone
570-265-4881 Fax



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July 10, 2018

Mr. Mark Morabito
Special Assistant to the Deputy Secretary for Compliance and Collections
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, PA 17128

Re: House Resolution No. 291 of 2017

Dear Mr. Morabito,

From the perspective of Washington County municipalities and school districts, the Commonwealth of Pennsylvania is attempting to solve a problem that does not exist. Since the passage of Act 32, the Washington County Tax Collection District has worked with our appointed tax official, the Keystone Collection Group, to implement a process for Earned Income Tax collection that is both efficient and effective. Local Washington County taxing authorities have seen dramatic increases in tax revenues over that which was collected prior to 2012. Enclosed are charts and graphs which document the success of our program. At the same time, many municipalities and school districts have seen their costs of collection dramatically decline.

By implementing Act 32, Keystone Collection Group, as well as the other third-party tax services, have made sizable investments in technology and process development. It seems patently unfair that the Commonwealth would ignore that effort and investment by assigning local earned income tax collection to the Pennsylvania Department of Revenue. Whatever advantages that the proponents of this shift in public policy envision will be more than offset by the impact felt by municipalities and school districts from disrupting this vital source of funding. For many municipalities, Earned Income Tax revenues represent up to 50% of all tax revenues.

Another important aspect of current Earned Income Tax collection process is the timely deposit of funds. For many municipalities and school districts cash flow can be a challenge. Under the current Earned Income Tax collection process funds are collected, accounted for, and distributed on a weekly basis. Our collective experience with the Commonwealth's ability to distribute funds to municipalities and school district calls into question the Department of Revenues ability to distribute funds on a weekly basis. Failing to do so will result in additional municipalities seeking wasteful tax anticipation notes.

Rather than usurping the role of the County Tax Collection Districts, the Commonwealth of Pennsylvania should be supporting their efforts through employer education and audits. Furthermore, to improve procedural efficiencies, the responsibility for the collection of all locally levied payroll-based taxes, including the Local Service Tax, should be collected by the Tax Collection Districts.

If the Commonwealth of Pennsylvania chooses to pursue collection of local income taxes through the Department of Revenue, the following principles must be incorporated into the process:

1. Service fees should not exceed 1.5% of collection;
2. Funds must be transferred electronically to local taxing authorities on a weekly basis;
3. Geodata verification of taxpayer addresses must be incorporated into the collection process to insure crediting the correct taxing authority;
4. Extensive employer audits must be performed to ensure that taxes are being collected and payments are being sent to the appropriate taxing authority; and
5. Responsibility for collection of the Local Services Taxes should be transferred to the Department of Revenue.

To effectively implement statewide collection of a local income tax, Pennsylvania will be required to change the basis of taxation from an Earned Income Tax to a Personal Income Tax. Amongst the municipalities and school districts, not only in Washington County but across the state, there is no doubt strong opinions as to the wisdom of implementing such a change. Failing to do so however would confuse taxpayers as they file their annual returns or could necessitate filing multiple returns to the Department of Revenue.

It is certainly appropriate and laudable that the Pennsylvania Department of Revenue has reached out to the appointed tax collectors and scheduled in-person discussions. They certainly have much at stake from your study. I am, however, surprised and disappointed that your process does not afford the Tax Collection Districts that same opportunity. While Keystone Collection Group and the Washington County Tax Collection District may have similar concerns, only the District can speak for the interest of the municipalities and school districts which we have been appointed to serve. The Washington County Tax Collection District looks forward to be afforded the opportunity to speak directly with those charged with conducting this study.

Sincerely



Paul F. Lauer
Chairman

Washington County Tax Collection Committee

- cc. Honorable John Maher
Honorable Bud Cook
Honorable Jim Christiana
Honorable Jason Orititay
Honorable Timothy J. O'Neal
Honorable Pam Snyder
Honorable Rick Saccone

Washington County Tax Collection District

2012 Monthly Earned Income Tax Collection Report

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Line 1		\$257,980.56	\$403,206.15	\$1,128,992.70	\$5,080,731.44	\$2,438,590.78	\$3,114,204.35	\$6,742,256.69	\$1,138,725.23	\$2,852,931.05	\$4,131,416.33	\$3,546,950.45	\$30,835,985.73
Line 2		\$13,839.27	\$20,011.84	\$46,296.86	\$333,056.46	\$109,490.07	\$211,602.56	\$495,061.82	\$493,539.02	\$391,590.16	\$715,091.15	\$408,886.13	\$3,238,465.34
Line 3a		\$4,359.19	\$15,964.47	\$97,798.76	\$434,984.53	\$329,376.64	\$141,795.13	\$720,460.51	\$79,437.74	\$254,298.63	\$846,896.86	\$167,280.59	\$3,092,653.05
Line 3b		-\$710.15	-\$299.25	-\$8,933.73	-\$117,961.30	-\$92,768.45	\$31,435.96	-\$181,873.21	-\$15,327.33	\$0.00	\$0.00	\$0.00	-\$386,437.46
Line 5		-\$13,772.86	\$3,215.34	\$12,102.00	\$10,690.71	\$15,030.31	\$58,812.76	\$93,114.25	\$35,117.05	\$101,080.33	\$66,902.86	\$34,693.19	\$415,985.94
Line 18a		-\$2,352.50	-\$1,155.87	-\$4,553.82	-\$4,572.61	-\$9,813.86	-\$7,875.35	-\$2,902.14	-\$1,926.69	-\$10,616.15	-\$2,953.71	-\$4,102.91	-\$52,825.61
Line 18 b		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Tax Collection		\$259,343.51	\$440,942.68	\$1,271,702.77	\$5,736,929.23	\$2,789,905.49	\$3,549,975.41	\$7,866,117.92	\$1,729,565.02	\$3,589,284.02	\$5,757,353.49	\$4,153,707.45	\$37,144,826.99
Calculated Tax Officer Fee	\$0.00	\$3,890.15	\$6,614.14	\$19,075.54	\$86,053.94	\$41,848.58	\$53,249.63	\$117,991.77	\$25,943.48	\$53,839.26	\$86,360.30	\$62,305.61	\$557,172.40
Line 19a		\$3,654.49	\$6,305.77	\$17,959.26	\$81,301.04	\$38,085.92	\$50,639.55	\$109,581.56	\$24,961.02	\$50,945.53	\$78,232.65	\$60,712.81	\$522,380.60
Line 19b		\$55.06	\$238.87	\$1,357.88	\$4,939.67	\$3,768.68	\$2,611.71	\$8,412.32	\$981.46	\$2,896.59	\$8,125.35	\$1,591.14	\$34,978.73
Reported Tax Officer Fee		\$3,709.55	\$6,544.64	\$19,317.14	\$86,240.71	\$41,855.60	\$53,251.26	\$117,993.88	\$25,942.48	\$53,842.12	\$86,358.00	\$62,303.95	\$557,359.33
Difference		\$180.60	-\$69.50	-\$241.60	-\$186.77	-\$7.02	\$1.63	\$2.11	-\$1.00	\$2.86	\$2.30	\$1.66	-\$175.72
Calculated TCD Fee	\$0.00	\$778.03	\$1,322.83	\$3,815.11	\$17,210.79	\$8,369.72	\$10,649.93	\$23,598.35	\$5,188.70	\$10,767.85	\$17,272.08	\$12,461.12	\$111,434.48

2013 Monthly Earned Income Tax Collection Report

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Line 1	\$2,193,329.28	\$4,539,195.10	\$3,384,020.86	\$1,699,728.40	\$6,121,303.28	\$904,383.52	\$1,480,022.22	\$4,000,619.82	\$391,468.61	\$1,205,650.42	\$4,401,142.85	\$34,428.15	\$27,345,849.73
Line 2	\$867,391.18	\$1,575,708.22	\$3,384,020.86	\$681,675.65	\$1,480,289.85	\$3,573,764.29	\$931,576.04	\$1,378,163.74	\$3,236,634.75	\$1,037,432.57	\$938,548.20	\$3,594,162.43	\$22,679,367.78
Line 3a	\$235,314.05	\$897,852.47	\$187,419.09	\$194,229.16	\$1,076,805.71	\$194,334.28	\$268,734.66	\$1,042,864.03	\$113,649.19	\$313,408.23	\$1,084,008.82	\$132,378.35	\$5,740,998.04
Line 3b	\$48,716.46	\$33,395.10	\$74,227.14	\$50,371.07	\$40,400.84	\$41,010.32	\$34,383.85	\$121,223.38	\$321,205.27	\$214,322.93	\$257,884.84	\$246,316.29	\$1,483,457.49
Line 18a	-\$1,125.18	-\$5,093.80	-\$13,161.09	-\$49,621.46	-\$46,561.74	-\$21,895.64	-\$126,193.28	-\$96,259.34	-\$14,621.37	-\$12,332.31	-\$13,418.39	-\$5,794.00	-\$406,077.60
Line 18 b	\$0.00	-\$226.43	-\$62.54	-\$964.77	-\$492.30	-\$223.84	-\$2,190.14	-\$734.81	-\$46.22	-\$227.69	-\$93.99	\$0.00	\$0.00
Total Tax Collection	\$3,343,625.79	\$7,040,830.66	\$4,007,021.54	\$2,575,418.05	\$8,671,745.64	\$4,691,372.93	\$2,586,333.35	\$6,445,876.82	\$4,048,290.23	\$2,758,254.15	\$6,668,072.33	\$4,001,491.22	\$56,838,332.71
Calculated Tax Officer Fee	\$50,154.39	\$105,612.46	\$60,105.32	\$38,631.27	\$130,076.18	\$70,370.59	\$38,795.00	\$96,688.15	\$60,724.35	\$41,373.81	\$100,021.08	\$60,022.37	\$852,574.99
Line 19a	\$47,525.51	\$97,170.53	\$58,799.75	\$36,666.79	\$120,464.60	\$68,498.38	\$36,038.46	\$87,777.81	\$59,400.20	\$38,523.88	\$90,496.67	\$58,489.07	\$799,851.65
Line 19b	\$2,628.03	\$8,439.45	\$1,307.34	\$1,969.80	\$9,619.62	\$1,870.52	\$2,751.49	\$8,904.86	\$1,324.98	\$2,851.87	\$9,524.09	\$1,531.69	\$52,723.74
Reported Tax Officer Fee	\$50,153.54	\$105,609.98	\$60,107.09	\$38,636.59	\$130,084.22	\$70,368.90	\$38,789.95	\$96,682.67	\$60,725.18	\$41,375.75	\$100,020.76	\$60,020.76	\$852,575.39
Difference	\$0.85	\$2.48	-\$1.77	-\$5.32	-\$8.04	\$1.69	-\$5.05	-\$5.48	\$0.83	\$1.94	\$0.32	\$1.61	-\$15.94
Calculated TCD Fee	\$5,015.44	\$10,561.25	\$6,010.53	\$3,863.13	\$13,007.62	\$7,037.06	\$3,879.50	\$9,668.82	\$6,072.44	\$4,137.38	\$10,002.11	\$6,002.24	\$85,257.50

Washington County Tax Collection District

2014 Monthly Earned Income Tax Collection Report

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Line 1	\$1,431,751 10	\$5,007,003.62	\$641,296 91	\$2,439,308 86	\$6,112,088 34	\$767,888 33	\$1,717,195 54	\$4,345,065 00	\$696,308 97	\$990,980 33	\$5,077,966 56	\$841,187 95	\$30,068,041 51
Line 2	\$1,256,816 85	\$1,127,990 22	\$3,814,132 44	\$655,708 80	\$1,378,753 44	\$3,409,454 59	\$1,029,568 57	\$1,337,565 00	\$3,213,815 69	\$658,701 65	\$1,326,194 13	\$3,087,693.64	\$22,296,995 02
Line 3a	\$254,523 78	\$1,210,842 15	\$215,926 14	\$217,830 12	\$1,326,150 13	\$148,387 15	\$394,282 03	\$1,034,026 85	\$178,419 10	\$217,553 82	\$1,222,416 48	\$338,854 72	\$6,759,212 47
Line 5	\$57,139 50	\$50,930 47	\$103,076 97	\$63,904 93	\$102,370 28	\$58,780 18	\$51,798 17	\$103,879 45	\$108,571 21	\$329,072 08	\$78,841 25	\$198,753 27	\$1,307,117 76
Line 18a	-\$6,655 72	-\$13,415 24	-\$13,415 24	-\$203,287 98	-\$173,731 55	-\$50,938 99	-\$26,913 09	-\$17,980 40	-\$13,762 73	-\$28,724 98	-\$18,028 04	-\$10,131 59	-\$576,985 55
Line 18 b	-\$124 28	-\$305 28	-\$305 28	-\$2,482 63	-\$1,562 45	-\$428 40	-\$76 91	-\$300 60	-\$4 27	-\$146 02	-\$81 96	-\$20 20	\$0 00
Total Tax Collection	\$2,993,451 23	\$7,383,045 94	\$4,760,711 94	\$3,170,982 10	\$8,744,068 19	\$4,333,142 86	\$3,165,854 31	\$6,802,255 30	\$4,183,347 97	\$2,167,436 88	\$7,687,308 42	\$4,456,337 79	\$59,847,942 93
Calculated Tax Officer Fee	\$44,044 68	\$109,981 73	\$69,864 52	\$46,606 16	\$129,625 47	\$64,115 44	\$46,710 84	\$100,475 64	\$61,121 65	\$27,575 47	\$114,127 01	\$63,863 77	\$878,112 38
Line 19a	\$42,253 00	\$101,249 48	\$67,901 49	\$44,338 66	\$119,997 68	\$62,747 26	\$42,327 40	\$93,525 13	\$60,018 47	\$25,780 40	\$104,807 94	\$61,228 55	\$826,175 46
Line 19b	\$2,654 01	\$10,277 62	\$1,899 95	\$2,333 67	\$9,732 75	\$1,429 12	\$4,412 64	\$7,221 28	\$1,336 33	\$2,208 55	\$9,592 50	\$2,069 71	\$55,168 13
Reported Tax Officer Fee	\$44,907 01	\$111,527 10	\$69,801 44	\$46,672 33	\$129,730 43	\$64,176 38	\$46,740 04	\$100,746 41	\$61,354 80	\$27,988 95	\$114,400 44	\$63,298 26	\$881,343 59
Difference	-\$862 33	-\$1,545 37	\$63 08	-\$66 17	-\$104 96	-\$60 94	\$29 20	\$270 77	\$233 15	\$413 48	-\$273 43	\$565 51	-\$1,338 02
Calculated TCD Fee	\$3,741 81	\$9,228 81	\$5,950 89	\$3,963 73	\$10,930 09	\$5,416 43	\$3,957 32	\$8,502 82	\$5,229 18	\$2,709 30	\$9,609 14	\$5,570 42	\$74,809 93

2015 Monthly Earned Income Tax Collection Report

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Line 1	\$1,689,522 24	\$4,995,901 89	\$786,163 78	\$2,371,967 56	\$6,394,138 02	\$752,293 80	\$1,340,373 30	\$5,030,230 00	\$495,491 74	\$1,179,831 37	\$5,005,861 92	\$362,560 41	\$30,404,336 03
Line 2	\$721,627 11	\$1,240,180 59	\$3,518,570 75	\$825,299 36	\$1,461,657 69	\$3,589,399 12	\$798,440 34	\$1,423,498 74	\$3,223,993 17	\$709,842 35	\$1,348,337 30	\$3,104,021 46	\$21,964,867 98
Line 3a	\$213,406 57	\$1,337,087 93	\$196,797 72	\$336,877 43	\$1,406,501 34	\$167,152 87	\$182,481 81	\$1,260,115 51	\$125,361 26	\$255,833 62	\$1,252,986 83	\$110,592 50	\$6,845,195 39
Line 5	\$105,967 67	\$105,102 95	\$136,338 81	\$208,960 53	\$97,360 25	\$79,909 11	\$151,214 79	\$80,124 92	\$153,826 07	\$133,543 59	\$231,547 74	\$132,462 31	\$1,616,358 74
Line 18a	-\$2,652 05	-\$8,025 28	-\$128,750 67	-\$246,416 22	-\$106,903 36	-\$38,732 38	-\$17,305 85	-\$15,381 56	-\$9,776 01	-\$26,086 13	-\$7,233 62	-\$10,997 46	-\$618,260 59
Line 18 b	-\$168 95	-\$237 67	-\$2,600 33	-\$2,683 78	-\$968 64	-\$232 62	-\$48 15	-\$268 44	-\$166 99	-\$17 87	-\$7 38	-\$196 54	-\$7,597 36
Total Tax Collection	\$2,727,702 59	\$7,670,010.41	\$4,506,520 06	\$3,494,004 88	\$9,251,785 30	\$4,549,789 90	\$2,455,156 24	\$7,778,319 17	\$3,988,729 24	\$2,252,946 93	\$7,831,492 79	\$3,698,442 68	\$60,204,900.19
Calculated Tax Officer Fee	\$39,326 02	\$113,473 61	\$65,552 72	\$49,275 67	\$137,316 38	\$67,048 21	\$34,559 12	\$115,472 91	\$57,523 55	\$31,791 05	\$113,999 18	\$53,489 71	\$878,828 12
Line 19a	\$37,745 74	\$104,431 71	\$63,660 93	\$46,438 38	\$127,123 52	\$65,031 72	\$32,966 98	\$106,198 14	\$56,346 47	\$29,528 02	\$104,843 82	\$52,368 30	\$826,683 73
Line 19b	\$1,543 91	\$8,945 97	\$2,016 34	\$2,899 13	\$10,162 65	\$2,007 80	\$1,618 59	\$9,516 62	\$1,258 83	\$2,674 05	\$8,996 04	\$1,230 28	\$52,870 21
Reported Tax Officer Fee	\$39,289 65	\$113,377 68	\$65,677 27	\$49,337 51	\$137,286 17	\$67,039 52	\$34,585 57	\$115,714 76	\$57,605 30	\$32,202 07	\$113,839 86	\$53,598 58	\$879,553 94
Difference	\$36 37	\$95 93	-\$124.55	-\$61 84	\$30 21	\$8 69	\$26 45	\$241 85	\$81 75	\$411 02	\$159 32	-\$108 87	\$796 32
Calculated TCD Fee	\$2,727 70	\$7,670 01	\$4,506 52	\$3,494 00	\$9,251 79	\$4,549 79	\$2,455 16	\$7,778 32	\$3,988 73	\$2,252 95	\$7,831 49	\$3,698 44	\$60,204 90

Washington County Tax Collection District

2016 Monthly Earned Income Tax Collection Report

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Line 1	\$1,545,337 17	\$5,434,414 74	\$714,658 15	\$1,909,702 51	\$5,947,104 61	\$779,707 99	\$1,447,044 72	\$4,816,568 16	\$551,006 35	\$1,582,347 71	\$4,927,131 19	\$370,756 31	\$30,025,779 61
Line 2	\$766,250 97	\$1,340,479 96	\$3,694,376 28	\$663,536 42	\$1,190,985 32	\$3,697,874 43	\$520,336 18	\$1,214,146 79	\$3,440,514 64	\$564,227 01	\$1,357,620 61	\$3,442,611 65	\$21,892,960 26
Line 3a	\$253,365 66	\$1,343,380 53	\$115,828 29	\$229,257 67	\$1,103,124 27	\$171,088 90	\$181,465 24	\$1,065,811 38	\$127,101 28	\$305,543 83	\$1,208,864 95	\$122,071 77	\$6,226,903 77
Line 3b	\$0 00	\$0 00											
Line 5	\$86,725 54	\$63,900 27	\$36,665 28	\$122,552 10	\$53,705 26	\$140,284 70	\$111,110 34	\$188,112 79	\$154,557 98	\$373,733 83	\$153,155 22	\$103,969 32	\$1,588,472 63
Line 18a	-\$13,543 28	-\$18,162 73	-\$54,982 37	-\$312,387 88	-\$179,770 95	-\$59,175 44	-\$25,012 31	-\$25,770 91	-\$23,760 18	-\$29,057 58	-\$80,939 79	-\$2,296 00	-\$824,859 42
Line 18 b	-\$49 72	-\$112 27	-\$516 63	-\$3,937 94	-\$849 05	-\$281 56	-\$328 69	-\$64 09	-\$5 82	-\$106 42	-\$6 21	\$0 00	-\$6,258 40
Total Tax Collection	\$2,638,086 34	\$8,163,900 50	\$4,506,029 00	\$2,608,722 88	\$8,114,299 46	\$4,729,499 02	\$2,234,615 48	\$7,258,804 12	\$4,249,414 25	\$2,796,688 38	\$7,565,825 97	\$4,037,113 05	\$58,902,998 45
Calculated Tax Officer Fee	\$38,270 41	\$121,500 00	\$67,040 46	\$37,292 56	\$120,908 91	\$68,838 21	\$31,852 58	\$106,060 37	\$61,422 84	\$36,344 32	\$111,190 06	\$58,997 16	\$859,717 89
Line 19a	\$35,945 08	\$110,364 18	\$65,794 16	\$34,803 38	\$112,931 13	\$66,766 21	\$30,203 35	\$98,201 93	\$60,620 93	\$34,177 55	\$104,203 93	\$57,750 81	\$811,762 64
Line 19b	\$2,518 12	\$10,787 48	\$1,347 84	\$2,525 79	\$8,833 19	\$2,138 46	\$1,649 29	\$8,504 21	\$1,235 25	\$2,180 44	\$8,916 77	\$1,250 22	\$51,887 06
Reported Tax Officer Fee	\$38,463 20	\$121,151 66	\$67,142 00	\$37,329 17	\$121,764 32	\$68,904 67	\$31,852 64	\$106,706 14	\$61,856 18	\$36,357 99	\$113,120 70	\$59,001 03	\$863,649 70
Difference	-\$192 79	\$348 34	-\$101 54	-\$36 61	-\$855 41	-\$66 46	\$0 06	\$645 77	\$433 34	\$13 67	-\$1,930 64	-\$3 87	-\$1,746 13
Calculated TCD Fee	\$2,638 09	\$8,163 90	\$4,506 03	\$2,608 72	\$8,114 30	\$4,729 50	\$2,234 62	\$7,258 80	\$4,249 41	\$2,796 69	\$7,565 83	\$4,037 11	\$58,903 00

2017 Monthly Earned Income Tax Collection Report

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Line 1	\$1,973,287 00	\$4,903,878 83	\$728,838 47	\$2,178,289 22	\$6,856,134 14	\$834,677 45	\$2,126,449 68	\$4,338,788 54	\$551,497 13	\$1,784,643 10	\$4,654,461 49	\$364,925 20	\$31,305,870 25
Line 2	\$565,481 01	\$1,240,131 86	\$3,728,073 97	\$568,678 49	\$1,243,325 96	\$4,176,744 49	\$735,750 97	\$1,211,635 23	\$3,669,809 76	\$495,480 37	\$1,417,949 12	\$3,493,266 88	\$22,546,328 11
Line 3a	\$378,858 95	\$1,068,758 49	\$150,826 46	\$389,033 15	\$1,143,524 11	\$131,157 19	\$573,530 34	\$960,467 96	\$121,505 47	\$304,115 07	\$1,345,432 29	\$198,533 29	\$6,765,742 77
Line 3b													
Line 5	\$216,358 77	\$101,054 09	\$175,273 86	\$211,141 48	\$64,659 98	\$64,651 97	\$83,494 11	\$49,342 33	\$203,864 83	\$310,766 01	\$145,855 79	\$111,273 96	\$1,737,737 18
Line 18a	-\$23,068 85	-\$15,895 38	-\$190,992 41	-\$204,891 95	-\$118,131 43	-\$26,191 27	-\$21,150 38	-\$48,110 96	-\$4,888 21	-\$35,809 30	-\$16,643 02	-\$2,162 85	-\$707,936 01
Line 18 b	-\$109 15	-\$206 62	-\$3,102 59	-\$2,314 05	-\$770 57	-\$249 73	-\$660 62	-\$186 04	-\$26 79	-\$63 70	-\$67 98	-\$8 15	-\$7,765 99
Total Tax Collection	\$3,110,807 73	\$7,297,721 27	\$4,588,917 76	\$3,139,936 34	\$9,198,742 19	\$5,180,790 10	\$3,497,414 10	\$6,511,937 06	\$4,541,762 19	\$2,859,131 55	\$7,546,987 69	\$4,165,828 33	\$61,639,976 31
Calculated Tax Officer Fee	\$43,416 73	\$107,950 01	\$66,204 66	\$43,931 92	\$137,011 23	\$76,742 07	\$51,208 80	\$96,938 92	\$65,068 46	\$38,225 48	\$111,016 98	\$60,818 32	\$898,533 59
Line 19a	\$39,903 68	\$99,481 54	\$64,430 19	\$39,086 40	\$129,730 79	\$75,299 83	\$45,551 83	\$90,719 92	\$63,787 43	\$35,723 91	\$101,556 70	\$58,425 99	\$843,698 21
Line 19b	\$3,377 46	\$8,633 99	\$1,797 71	\$4,683 60	\$7,294 26	\$1,394 38	\$5,626 11	\$6,279 25	\$1,185 01	\$2,451 52	\$9,421 73	\$1,172 45	\$53,317 47
Reported Tax Officer Fee	\$43,281 14	\$108,115 53	\$66,227 90	\$43,770 00	\$137,025 05	\$76,694 21	\$51,177 94	\$96,999 17	\$64,972 44	\$38,175 43	\$110,978 43	\$59,598 44	\$897,015 68
Difference	\$135 59	-\$165 52	-\$23 24	\$161 92	-\$13 82	\$47 86	-\$30 86	\$60 25	-\$96 02	-\$50 05	\$38 55	\$1,219 88	\$1,284 54
Calculated TCD Fee	\$2,333 11	\$5,473 29	\$3,441 69	\$2,354 95	\$6,899 06	\$3,885 59	\$2,623 06	\$4,883 95	\$3,406 32	\$2,144 35	\$5,660 24	\$3,124 37	\$46,229 98

Wilmington Area School District

300 Wood Street
New Wilmington, Pennsylvania 16142
724-656-8866
FAX 724-946-8982
www.wasd.school



Jeffrey A. Matty, Ed.D.
Superintendent

Joshua D. Latore
Business Manager

Debra L. Crum
Secretary to the Board

October 15, 2018

Mr. Mark Morabito
Revenue Special Assistant to the Deputy Secretary
Pennsylvania Department of Revenue
11th Floor, Strawberry Square
Fourth and Walnut Streets
Harrisburg, Pa. 17128

Dear Mr. Morabito:

This correspondence is to state the Wilmington Area School District's opposition to a shift from the current county wide collections of local Earned Income Tax (EIT) to a statewide collection system as appears to be the intent of House Resolution No. 291 of 2017.

Since the passage of Act 32 and moving to a countywide system of collection, not only has this revenue source increased dramatically, the deposits are timely. Under our current system, funds are collected and distributed weekly into our accounts. This is a critical piece of maintaining a sufficient cash flow. If collections move to a statewide system, school districts and municipalities should expect no less than weekly deposits as well as timely and detailed reports.

I have been a part of the switch to a countywide collection system since its inception in 2012. I have seen firsthand the benefits this system has brought to districts and municipalities in Pennsylvania. I firmly believe that the current system we are using is efficient and extremely effective. Please do not attempt to fix a system that is not broken.

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua Latore".

Joshua Latore
Business Manager

cc: Board of Education
LCTCC

**RESOLUTION URGING THE PA DEPARTMENT OF REVENUE TO ABANDON THE
MOVE TO A STATEWIDE EARNED INCOME TAX COLLECTION SYSTEM**

**BY THE BOARD OF DIRECTORS OF THE
WILMINGTON AREA SCHOOL DISTRICT**

WHEREAS, the passage of Act 32 of 2008 mandated the creation of county wide collectors for the earned income tax; and

WHEREAS, the school districts and municipalities complied, resulting in the creation of county wide committees; and

WHEREAS, these representatives have fully embraced and committed to the county wide concept expending significant time and utilizing local resources to ensure success; and

WHEREAS, Wilmington Area School District earned income tax revenue has increased exponentially and is remitted to the District on a weekly basis from Berkheimer Tax Innovations, Inc.; and

WHEREAS, the District is vehemently opposed to moving to a statewide collection; and

WHEREAS, the District does not believe it is in our financial interest to move away from a successful countywide collection system.

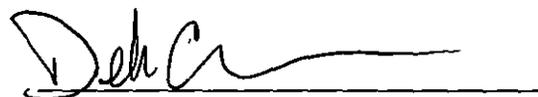
NOW, THEREFORE, BE IT RESOLVED that the Wilmington Area School District urges the Pennsylvania Department of revenue to abandon the study mounted to determine the feasibility of transferring the responsibility for collection of Earned Income Tax to the state; and

BE IT FURTHER RESOLVED that the Wilmington Area School District will encourage others, including District taxpayers to contact their State Representative(s) to express concern for this proposed change; and

BE IT FURTHER RESOLVED that a copy of this resolution submitted to the elected senators and representatives of the Wilmington Area School District in the General Assembly, and to the Governor of Pennsylvania.

Adopted this 15th day of October 2018.


School Board President


Board Secretary (Seal)



WALLACE TOWNSHIP

Board of Supervisors

P.O. Box 670

Glenmoore, Pennsylvania 19343

610-942-2880

Fax: 610-942-4917

Email: [REDACTED]

July 11, 2018

Via E-mail Only

Joseph Lubitsky, Administrator
Chester County Tax Collection Committee
455 Boot Road
Downingtown, PA 19335

Re: Wallace Township – Comments to Chester County Tax Collection Committee
On House Resolution 291

Dear Mr. Lubitsky:

Please allow this letter to memorialize the review and commentary by the Wallace Township Board of Supervisors to Pennsylvania House Resolution 291 (proposing state-wide collection of local earned income tax in place of the county collection handled pursuant to Act 32 of 2008). The Township received your request for commentary on June 26th. After discussion between the Board and the residents at its meeting of July 5, 2018, the Township is OPPOSED to the concept proposed under HR 291.

First, it was noted by many in attendance that eliminating the local handling of these matters would further disrupt the ability of the Township residents to get direct, immediate and local feedback as to their issues and questions. State-wide collection would further exacerbate this issue (disenfranchising local residents in the process even more than the county-wide handling of these issues), preventing more accessible mechanisms for residents to address complaints with the process.

This process also precludes the ability of the electorate to hold agencies accountable for mishandling of tax collection activities and inefficient collection practices. Under the current system, local residents and municipalities are able to address these customer service issues directly with the collector chosen by the County TCC, and, if those issues are not resolved, factor that feedback into the termination or renewal of a third party collection agency. The tax collection company selected by the County TCCs also have a financial incentive to be accountable, cost-efficient and responsive – for fear of losing the contract with the County TCC. The Township expects that these benefits will not carry over to a process of state-wide collection.

Moreover, there are several practical questions raised by the proposal under HR 291. For example, HR 291 does not appear to clearly identify *how* the state will implement state-wide collection. Will it engage third party collection agencies (as is done by the County Tax Collection Committees)? Will it select a single third party collection agency state-wide, or would the selection be done by region

(multiple counties)? If so, how are the regions determined, and what input is provided to local municipalities in that process? To the extent that this scheme is undertaken, it is unclear as to the benefit shifting the selection of that third party collection agency from the county- to the state-level would provide. Moreover, in shifting the selection of a third party collection agency from the county to the state, there will be even less accountability for those agencies in providing fair, balanced and effective collection services.

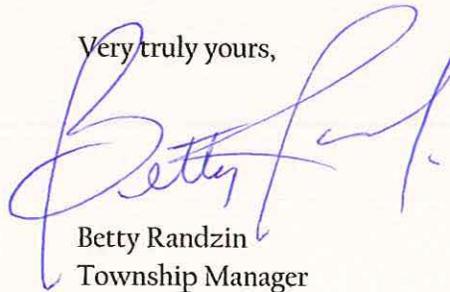
Alternatively, will the Department of Revenue undertake the local earned income collection process itself? If so, how will this effort be funded? What will be the impact of doing so on the size of the state budget? How many more state employees would be required to implement the collection efforts and to provide customer service support to those residents with questions, issues or complaints?

Next, how would the distribution of local earned income taxes be handled? When would the funds be disbursed? Would the timing and disbursement of the local earned income taxes be delayed or suspended in the event of a state government shutdown (as we have seen over the past several years)? There are too many unanswered questions as to the concept of state-wide collection in order for any municipalities to fully consider that such a switch would be beneficial – and the risk of not addressing these issues could be devastating to the ability of Townships to budget and allocate their resources.

To the extent that the Commonwealth is considering ways by which the collection and appropriate distribution of local earned income taxes can be improved, the Township suggests that the Legislature look no further than the pending proposals to rescind the Sterling Act. As it stands today, the Sterling Act siphons local earned income taxes away from local municipalities, in favor of the City of Philadelphia, and deprives local municipalities of annual revenue sources otherwise necessary to provide essential services to the immediate community. The budgetary shortcomings of the City of Philadelphia should not be solved on the backs of the surrounding municipalities.

We would appreciate if the above-referenced commentary be incorporated into the Chester County Tax Collection Committee's official comment to HR 291. Feel free to contact me if you have any questions. Thank you.

Very truly yours,



Betty Randzin
Township Manager

cc: Wallace Township Board of Supervisors
The Honorable Tim Hennessey
The Honorable John C. Rafferty, Jr.