

ADMINISTRATION

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 76 - 2016

NOVEMBER 7, 2016

AN ORDINANCE

An Ordinance of the City of Allentown, County of Lehigh and Commonwealth of Pennsylvania, amending the Earned Income Tax ordinance.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That Section 331.02, Imposition of Tax, of the Allentown Codified Ordinances, is amended to read as follows:

331.02 IMPOSITION OF TAX

The tax levied under this Ordinance shall be applicable to earned income received and to net profits earned in the period beginning January 1, of the current year, and ending December 31, of the current year or for taxpayer fiscal years beginning in the current year, except that taxes imposed for the first time shall become effective from the date specified in the ordinance or resolution, and the tax shall continue in force on a calendar year or taxpayer fiscal year basis, without annual reenactment, unless the rate of the tax is subsequently changed. Changes in rate shall become effective on the date specified in the ordinance. A tax for general revenue purposes and special municipal tax is imposed on the following as set forth herein:

A. Salaries, wages, commissions and other compensation earned on and after January 1, ~~2016~~ 2017, by individual residents of the City;

B. Salaries, wages, commissions and other compensation earned on and after January 1, ~~2016~~ 2017, by individual nonresidents of the City in the City;

C. Net profits, earned on and after January 1, ~~2016~~ 2017, by residents of the City;

D. Net profits, earned on and after January 1, ~~2016~~ 2017, in the City by nonresidents of the City.

The tax levied under subsections A herein above shall total ~~one and sixty-five hundredths two~~ percent (~~1.65%~~ 2.00%) and shall relate to and be imposed upon salaries, wages, commissions and other compensation paid by an employer or on his behalf to a person who is employed by him. The tax levied under subsections C and D herein shall total ~~one and sixty-five hundredths two~~ percent (~~1.65%~~ 2.00%) and shall relate to and be imposed on the net profits of any business, profession or other activity carried on by any person or persons.

The tax levied under subsection B herein above shall total one and twenty-eight hundredths percent (1.28%) and shall relate to and be imposed upon salaries, wages, commissions and other compensation paid by an employer or on his behalf to a person who is employed by him. The tax levied under subsection D herein above shall total one and twenty-eight hundredths percent (1.28%) and shall relate to and be imposed on the net profits of any business, profession or other activity carried on by any person or persons.

Every corporation which is subject to the Pennsylvania Corporate Net Income Tax or exempt from the Pennsylvania Corporate Net Income Tax, and every foreign corporation which is subject to the Pennsylvania Franchise Tax or exempt from the Pennsylvania Franchise Tax, shall be exempt from the tax imposed by this article.

The tax levied by this article shall be applicable to salaries, wages, commissions and other compensation and to net profits earned in the period beginning January 1, ~~2016~~ 2017, and ending December 31, ~~2016~~ 2017 and for tax years thereafter with an effective date as provided by law.

SECTION TWO: That this Ordinance takes effect on January 1, 2017.

SECTION THREE: That all Ordinances or parts of Ordinances conflicting with the provisions of this Ordinance be and the same are hereby repealed.