

RESOLUTION NO. 79

2022

AUTHORIZING THE CITY OF SCRANTON TO ESTABLISH A ONE-TIME, ONE MONTH WAIVER OF THE INTEREST AND PENALTY FOR PAST DUE INITIAL PAYROLL PREPARATION TAX RETURNS FILED WITH THE CITY OF SCRANTON DURING THE PERIOD OF JUNE 1, 2022 THROUGH JUNE 30, 2022.

WHEREAS, the City of Scranton was previously declared a financially distressed municipality pursuant to the Municipalities Financial Recovery Act, Act 47 of 1987, as amended, (Act 47), 53 P.S. §11701.203; and

WHEREAS, as a financially distressed municipality, the City of Scranton was authorized by 53 P.S. §11701.123(c)(1.1) and (d)(2) of Act 47 to levy a payroll preparation tax pursuant to section 303 of The Local Tax Enabling Act, Act 511 of 1965, as amended, (Act 511), 53 P.S. §6924.303; and

WHEREAS, on December 14, 2021, Scranton City Council passed File of Council No. 95 of 2021 (F.O.C. 95), an Ordinance repealing the City of Scranton's Business Privilege Tax and Mercantile Tax and authorizing the City of Scranton to levy a payroll preparation tax to become effective January 1, 2022, at a rate of 2787% (Payroll Preparation Tax); and

WHEREAS, a tax year pursuant to F.O.C. 95 is the twelve month period beginning on January 1 and ending on December 31 (Tax Year); and

WHEREAS, F.O.C. 95 requires eligible taxpayers to submit quarterly tax returns for each Tax Year on or before the due dates of May 31, August 31, November 30, and February 28 of the succeeding calendar year; and

WHEREAS, if for any reason the tax is not paid when due, F.O.C. 95 constrains the imposition of interest at a rate of six (6) percent per annum on the amount of tax due and an additional penalty of one (1) percent of the amount of unpaid tax for each month or fraction thereof during which the tax remains unpaid; and

WHEREAS, the City of Scranton taxpayers would benefit from additional time to get acquainted with the new Payroll Preparation Tax, including the forms and processes for submitting their tax returns; and

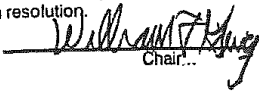
Introduced in Council on above date and referred to Committee on May 16, 2022

FINANCE



City Clerk

Scranton, Pa. May 24, 2022
Committee on Finance reports favorably on the within resolution.


Chair...

CERTIFIED COPY


City Clerk

WHEREAS, the City of Scranton can offer said support by, in practical terms, extending the deadline of the first Payroll Preparation Tax due date from May 31, 2022 to June 30, 2022; and

WHEREAS, 53 P.S. §6924.303(n) of Act 511 authorizes the establishment by resolution of a one-time period during which interest and penalties that would otherwise be imposed for the nonreporting of the Payroll Preparation Tax when due may be waived in total or in part if the taxpayer pays the Payroll Preparation Tax in full during the period so established; and

WHEREAS, the City of Scranton desires to establish a one-time period waiving the required imposition of interest and penalty for tax returns filed after the May 31, 2022 due date but filed on or before June 30, 2022.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF

SCRANTON that the City of Scranton hereby establishes a one-time period waiving the imposition of interest and penalty of Payroll Preparation Tax returns due May 31, 2022 through June 30, 2022.

SECTION 1. WAIVER OF PAYROLL PREPARATION TAX INTEREST AND PENALTY

(a) A Payroll Preparation Tax return for the first quarter of Tax Year 2022 that is due no later than May 31, 2022, but is submitted by a taxpayer after this due date shall have the imposition of interest and penalty waived if said Payroll Preparation Tax return is filed with the City's tax collection agent during the period of June 1, 2022 through June 30, 2022.

(b) A Payroll Preparation Tax return for the first quarter of Tax Year 2022 that is due no later than May 31, 2022, and is not submitted by a taxpayer to the City's tax collection agent either before the May 31, 2022 due date or during the waiver period of June 1, 2022 through June 30, 2022, shall not be eligible for this waiver and said interest and penalties shall be deemed imposed beginning June 1, 2022.

SECTION 2. If any section, clause, provision, or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decisions shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution of

enforceable minus the invalid portion. The City reserves the right to amend this Resolution of any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Resolution, and the effective administration thereof.

SECTION 3. This Resolution shall become effective immediately upon approval.

SECTION 4. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1971, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State and Pennsylvania.

Passed by the Council

May 24, 2022

Receiving the Affirmative votes of Council Persons

King, Rothchild, McAndrew, Donahue

Negative NONE Absent: Schuster

Blitz
President

Approved 5/25/22

Brian G. Stewart Mayor

[Signature] City Clerk
Certified Copy