

## **Chapter 184**

### **TAXATION**

#### **ARTICLE I Earned Income Tax**

- § 184-1. Incorporation by reference.**
- § 184-2. Definitions.**
- § 184-3. Imposition of tax.**
- § 184-4. Administration; powers and duties of officer.**
- § 184-5. Exemptions and credits.**
- § 184-6. Effective date.**
- §§ 184-7 through 184-15. Reserved.**

#### **ARTICLE II Local Services Tax**

- § 184-16. Title.**
- § 184-17. Authority.**
- § 184-18. Purpose.**
- § 184-19. Definitions.**
- § 184-20. Levy of tax.**
- § 184-21. Exemption; refunds.**
- § 184-22. Duty of employers to collect.**
- § 184-23. Returns.**
- § 184-24. Dates for determining tax liability and payment.**
- § 184-25. Self-employed individuals.**
- § 184-26. Individuals engaged in more than one occupation or employed in more than one political subdivision.**
  - § 184-26.1. Nonresidents subject to tax.**
  - § 184-26.2. Administration of tax.**
  - § 184-26.3. Suits for collection.**
  - § 184-26.4. Violations and penalties.**
  - § 184-26.5. Interpretation.**

#### **ARTICLE III Penalties and Discounts**

- § 184-27. Discount period.**
- § 184-28. Discount rate.**
- § 184-29. Continuation of provisions.**
- § 184-30. Period for payment at face.**
- § 184-31. Delinquent payments; penalty.**

#### **ARTICLE IV Realty Transfer Tax**

- § 184-32. Short title.**
- § 184-33. Statutory authority.**
- § 184-34. Definitions.**
- § 184-35. Imposition of tax; interest.**
- § 184-36. Exempt parties.**
- § 184-37. Excluded transactions.**
- § 184-38. Documents relating to associations or corporations.**
- § 184-39. Acquired company.**
- § 184-40. Credits against tax.**
- § 184-41. Extension of lease.**
- § 184-42. Proceeds of judicial sale.**
- § 184-43. Duties of Recorder of Deeds.**
- § 184-44. Statement of value.**
- § 184-45. Civil penalties.**
- § 184-46. Lien.**
- § 184-47. Enforcement.**
- § 184-48. Regulations.**

#### **ARTICLE V Senior Citizens Tax Exemption**

- § 184-49. Definitions.**

**§ 184-50. Participation in tax relief program.**

**§ 184-52. Tax relief authorized for eligible taxpayers.**

**§ 184-51. Rules and regulations.**

**§ 184-53. Administration.**

**§ 184-54. Effective date.**

**[HISTORY: Adopted by the Borough Council of the Borough of Edgewood as indicated in article histories. Amendments noted where applicable.]**

#### GENERAL REFERENCES

Tax Collector—See Ch. 64, Art. II.

Rental property registry—See Ch. 160.

### ARTICLE I

#### Earned Income Tax

**[Adopted 10-3-2011 by Ord. No. 1038]**

**§ 184-1. Incorporation by reference.**

Act 32 (53 P.S. § 6924.101 through 53 P.S. § 6924.901) and its definitions, duties, directives, rules, regulations, powers and penalties is hereby adopted by reference as if same had been set forth fully herein.

**§ 184-2. Definitions.**

The following words and phrases are included herein when used in this Section shall have the meanings given to them in this Section unless the context clearly indicates otherwise:

**DOMICILE**—The place where a person lives and has a permanent home and to which the person has the intention of returning whenever absent. Actual residence is not necessarily domicile, for domicile is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntarily fixed place of habitation of a person, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce the person to adopt some other permanent home. In the case of a business, domicile is that place considered as the center of business affairs and the place where its functions are discharged.

**EARNED INCOME**—The compensation as required to be reported to or as determined by the Department of Revenue under § 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Code of 1971, and rules and regulations promulgated under that section. Employee business expenses as reported to or determined by the Department of Revenue under Article III of the Tax Reform Code of 1971 shall constitute allowable deductions in determining earned income. The term does not include offsets for business losses. The amount of any housing allowance provided to a member of the clergy shall not be taxable as earned income.

**NET PROFITS**—The net income from the operation of a business, other than a corporation, as required to be reported to or as determined by the Department of Revenue under § 303 of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Code of 1971, and rules and regulations promulgated under that section.

**NONRESIDENT**—A person or business domiciled outside the political subdivision levying the tax.

**RESIDENT**—A person or business domiciled in the political subdivision levying the tax.

**TAX COLLECTION COMMITTEE (TCC)**—The Southeast Tax Collection Committee established to govern this tax collection district for the purpose of income tax collection.

**TAX COLLECTION DISTRICT (TCD)**—The Southeast Tax Collection District is established under § 504 of Act 32.

**TAX OFFICER/TAX COLLECTOR**—The agency engaged to administer and collect earned income taxes for this tax collection district. Unless otherwise specifically provided, for purposes of the obligations of an employer, the term shall mean the tax officer for the tax collection district within which the employer is located, or, if an employer maintains workplaces in more than one district, the tax officer for each such district with respect to employees principally employed therein.

In addition to the above definitions, this section incorporates by reference those words, phrases and definitions as listed in Act 32 (53 P.S. § 6924.101 through 53 P.S. § 6924.901).

### **§ 184-3. Imposition of tax.**

**Resident tax.** A tax at the rate of 1% is hereby levied on all earned income and net profits, as defined by Act 32, on residents of Edgewood Borough.

**Nonresident tax.** A tax at the rate of 1% is hereby levied on all earned income and net profits earned by nonresidents for work done or services performed or rendered in Edgewood Borough.

All changes shall remain in effect on a calendar year basis without annual reenactment unless the rate of tax is subsequently changed.

### **§ 184-4. Administration; powers and duties of officer.**

The collection and administration of the tax provided for in this Article shall be performed by the Tax Officer appointed by the Tax Collection Committee. Said Tax Officer shall receive compensation for services and expenses as determined by agreement between the TCC and the Tax Officer. The Tax Officer shall have the powers as provided for by the Local Tax Enabling Act.

### **§ 184-5. Exemptions and credits.**

No exemptions or credits based on age or income, or any other conditions are granted by this Article. Nothing in this Article is intended to preclude or inhibit any credit or exemption imposed by act of law or regulation.

### **§ 184-6. Effective date.**

This Article shall be effective January 1, 2012. It is the intention of the governing body of Edgewood Borough that this Article shall provide procedural modifications only to the previously adopted earned income tax ordinance, and no gap as to imposition of the tax set forth

herein should be inferred.

**§§ 184-7 through 184-15. Reserved.**

**ARTICLE II**  
**Local Services Tax**  
**[Adopted 5-5-2008 by Ord. No. 1023]**

**§ 184-16. Title.**

This article shall be known and cited as the “Local Services Tax Ordinance.”

**§ 184-17. Authority.**

This article is enacted under the authority of the Local Tax Enabling Act,<sup>7</sup> as amended by Act No. 7 of 2007.

**§ 184-18. Purpose.**

The purpose of this article is to provide revenue for police, fire and emergency services; road construction and maintenance; the reduction of property taxes; and such other purposes as may be specified for such tax from time to time by § 22,6 of the Local Tax Enabling Act, as amended.<sup>8</sup>

**§ 184-19. Definitions.**

The following words and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context or language clearly indicates or requires a different meaning:

COLLECTOR—The person, public employee or private agency designated by the political subdivision to collect and administer the tax herein imposed.

DCED—The Department of Community and Economic Development of the Commonwealth of Pennsylvania.

EARNED INCOME—“Compensation” as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act,<sup>9</sup> as amended.

HE, HIS or HIM—Indicates the singular and plural number, as well as male, female and neuter genders.

INDIVIDUAL—Any person, male or female, engaged in any occupation, trade or profession

---

7. Editor’s Note: See 53 P.S. § 6901 et seq.

8. Editor’s Note: See 53 P.S. § 6922.6.

9. Editor’s Note: See 53 P.S. § 6913.

within the corporate limits of the political subdivision.

**NET PROFITS**—The “net income” from the operation of a business, profession, or other activity, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act,<sup>10</sup> as amended.

**OCCUPATION**—Any trade, profession, business or undertaking of any type, kind or character, including services, domestic or other, carried on or performed within the corporate limits of the political subdivision, for which compensation is charged or received, whether by means of salary, wages, commission or fees for services rendered.

**POLITICAL SUBDIVISION**—The area within the corporate limits of the Borough of Edgewood.

**RESERVE COMPONENT OF THE ARMED FORCES**—The United States Army Reserve, United States Navy Reserve, United States Marine Corps Reserve, United States Coast Guard Reserve, United States Air Force Reserve, the Pennsylvania Army National Guard or the Pennsylvania Air National Guard.

**TAX**—The local services tax levied by this article.

**TAX YEAR**—The period from January 1 until December 31 in any year, a calendar year.

**§ 184-20. Levy of tax.**

The Borough of Edgewood hereby levies and imposes on every individual engaging in an occupation within the jurisdictional limits of the Borough of Edgewood a tax in the amount of \$52 per annum, beginning the first day of January 2008 and continuing on a calendar basis annually thereafter, until modified or repealed by subsequent ordinance.

**§ 184-21. Exemption; refunds.**

- A. Exemption. Any person whose total earned income and net profits from all sources within the political subdivision is less than \$12,000 for any calendar year in which the tax is levied is exempt from the payment of the tax for that calendar year. In addition, the following persons are exempt from payment of the tax:
- (1) Any person who has served in any war or armed conflict in which the United States was engaged and is honorably discharged or released under honorable circumstances from active service if, as a result of military service, the person is

[Text continued on p. 184:12.1]

---

10. Editor's Note: See 53 P.S. § 6913.



blind, paraplegic or a double or quadruple amputee or has a service-connected disability declared by the United States Veterans' Administration or its successor to be a total, one-hundred-percent disability.

- (2) Any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year.

B. Procedure to claim exemption.

- (1) A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with the political subdivision and with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within the political subdivision of less than \$12,000 in the calendar year for which the exemption certificate is filed. In the event the political subdivision utilizes a Tax Collection Officer, it shall provide a copy of the exemption certificate to that officer. The exemption certificate shall have attached to it a copy of all the employee's last pay stubs or W-2 forms from employment within the political subdivision for the year prior to the fiscal year for which the employee is requesting to be exempted from the tax. Upon receipt of the exemption certificate and until otherwise instructed by the political subdivision or except as required by Subsection B(2), the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish each new employee with a form at the time of hiring. The exemption certificate form shall be the uniform form provided by the political subdivision.
- (2) With respect to a person who claimed an exemption for a given calendar year from the tax, upon notification to an employer by the person or by the political subdivision that the person has received earned income and net profits from all sources within the political subdivision equal to or in excess of \$12,000 in that calendar year or that the person is otherwise ineligible for the tax exemption for that calendar year, or upon an employee's payment to the person of earned income within the municipality in an amount equal to or in excess of \$12,000 in that calendar year, an employer shall withhold the local services tax from the person under Subsection B(3).
- (3) If a person who claimed an exemption for a given calendar year from the tax becomes subject to the tax for the calendar year under Subsection B(2), the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification under Subsection B(2), a lump sum equal to the amount of tax that was not withheld from the person due to the exemption claimed by the person under this subsection, plus the per-payroll amount due for that first payroll period. The amount of tax withheld per payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. In the event the employment of a person subject to withholding of the tax under this subsection is subsequently severed in that calendar year, the person shall be liable

for any outstanding balance of tax due, and the political subdivision may pursue collection under this article.

- (4) Except as provided in Subsection B(2), it is the intent of this subsection that employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility or exempting any employee from the local services tax.

- C. Refunds. The Borough of Edgewood, in consultation with the Collector and DCED, shall establish procedures for the processing of refund claims for any tax paid by any person who is eligible for exemption, which procedures shall be in accord with provisions of the General Municipal Law relating to refunds of overpayments and interest on overpayments. Refunds made within 75 days of a refund request or 75 days after the last day the employer is required to remit the tax for the last quarter of the calendar year, whichever is later, shall not be subject to interest. No refunds shall be made for amounts overpaid in a calendar year that do not exceed \$1. The Borough of Edgewood or the Collector shall determine eligibility for exemption and provide refunds to exempt persons.

#### **§ 184-22. Duty of employers to collect.**

- A. Each employer within the political subdivision, as well as those employers situated outside the political subdivision but who engage in business within the political subdivision, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within the political subdivision and making a return and payment thereof to the Collector. Further, each employer is hereby authorized to deduct this tax for each employee in his or her employ, whether said employee is paid by salary, wage or commission and whether or not all such services are performed within the political subdivision.
- B. A person subject to the tax shall be assessed by the employer a pro rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro rata share of the tax assessed on the person for a payroll period shall be determined by dividing the rate of the tax levied for the calendar year by the number of payroll periods established by the employer for the calendar year. For purposes of determining the pro rata share, an employer shall round down the amount of the tax collected each payroll period to the nearest one-hundredth of a dollar. Collection of the tax shall be made on a payroll period basis for each payroll period in which the person is engaging in an occupation, except as provided in Subsection D of this section. For purposes of this subsection, "combined rate" shall mean the aggregate annual rate of the tax levied by the school district and the municipality.
- C. No person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll period.
- D. In the case of concurrent employment, an employer shall refrain from withholding the tax if the employee provides a recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of the tax withheld and a statement from the employee that the pay statement is from the

employees principal employer and the employee will notify other employers of a change in principal place of employment within two weeks of its occurrence. The employee's statement shall be provided on the form approved by DCED.

- E. The tax shall be no more than \$52 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. The political subdivision shall provide a taxpayer a receipt of payment upon request by the taxpayer.
- F. No employer shall be held liable for failure to withhold the tax or for the payment of the withheld tax money to the political subdivision if the failure to withhold taxes arises from incorrect information submitted by the employee as to the employee's place or places of employment, the employee's principal office or where the employee is principally employed. Further, an employer shall not be liable for payment of the local services tax in an amount exceeding the amount withheld by the employer if the employer complies with the provisions of Subsection B, titled "Procedure to claim exemption," under the section of this article titled "Exemption; refunds,"<sup>11</sup> and remits the amount so withheld in accordance with this article.
- G. Employers shall be required to remit the local services taxes thirty days after the end of each quarter of a calendar year.

#### **§ 184-23. Returns.**

Each employer shall prepare and file a return showing a computation of the tax on forms to be supplied to the employer by the Collector. If an employer fails to file the return and pay the tax, whether or not the employer makes collection thereof from the salary, wages or commissions paid by him or her to an employee, except as provided hereafter in this article, the employer shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer.

#### **§ 184-24. Dates for determining tax liability and payment.**

Each employer shall use his employment and payroll records from the first day of January to March 31 each year for determining the number of employees from whom said tax shall be deducted and paid over to the Collector on or before April 30 of the same calendar year. Supplemental reports shall be made by each employer on July 30, October 30 and January 31 for new employees as reflected on his employment and payroll records from April 1 to June 30, July 1 to September 30 and October 1 to December 31, and payments on these supplemental reports shall be made on July 30, October 30 and January 31, respectively.

#### **§ 184-25. Self-employed individuals.**

Each self-employed individual who has earned income or realizes net profit, as those terms are defined herein, within the political subdivision shall be required to comply with this article

---

11. Editor's Note: See § 184-21B.

and pay the tax due to the Collector on or before the 30th day following the end of each quarter.

**§ 184-26. Individuals engaged in more than one occupation or employed in more than one political subdivision.**

The situs of the tax shall be the place of employment on the first day the person becomes subject to the tax during each payroll period. In the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires the person working in more than one political subdivision during a payroll period, the priority of claim to collect the local services tax shall be in the following order:

- A. First, the political subdivision in which a person maintains his or her principal office or is principally employed.
- B. Second, the political subdivision in which the person resides and works if the tax is levied by that political subdivision.
- C. Third, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home. In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment constitutes prima facie certification of payment to all other political subdivisions.

**§ 184-26.1. Nonresidents subject to tax.**

All employers and self-employed individuals residing or having their places of business outside of the political subdivision but who perform services of any type or kind or engage in any occupation or profession within the political subdivision do, by virtue thereof, agree to be bound by and subject themselves to the provisions, penalties and regulations promulgated under this article with the same force and effect as though they were residents of the political subdivision. Further, any individual engaged in an occupation within the political subdivision and an employee of a nonresidential employer may, for the purpose of this article, be considered a self-employed person, and in the event his or her tax is not paid, the political subdivision shall have the option of proceeding against either the employer or the employee for the collection of this tax as hereinafter provided.

**§ 184-26.2. Administration of tax.**

- A. It shall be the duty of the Collector to accept and receive payments of this tax and keep a record thereof showing the amount received by him from each employer or self-employed person, together with the date the tax was received. It shall be the duty of the Collector to accept and keep a record of the information submitted by employers relating to the number of employees subject to the tax, the number of employees exempt from the tax, the employee exemption certificates and refunds of the tax paid to individuals and employers.
- B. The Collector is hereby charged with the administration and enforcement of this article and is hereby charged and empowered, subject to municipal approval, to prescribe, adopt

and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this article, including provisions for the examination of payroll records of any employer subject to this article, the examination and correction of any return made in compliance with this article and any payment alleged or found to be incorrect or as to which overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the Collector shall have the right to appeal to the Court of Common Pleas of Allegheny County as in other cases provided.

- C. The Collector is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer or, if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the Collector the means, facilities and opportunity for such examination.

#### **§ 184-26.3. Suits for collection.**

- A. In the event that any tax under this article remains due or unpaid 30 days after the due dates above set forth, the Collector may sue for the recovery of any such tax due or unpaid under this article, together with interest and penalty.
- B. If for any reason the tax is not paid when due, interest at the rate of 6% on the amount of such tax shall be calculated beginning with the due date of the tax, and a penalty of 5% shall be added to the flat rate of such tax for nonpayment thereof. Where suit is brought for the recovery of this tax or other appropriate remedy undertaken, the individual liable therefor shall, in addition, be responsible and liable for the costs of collection.

#### **§ 184-26.4. Violations and penalties.**

Whoever makes any false or untrue statement on any return required by this article, or whoever refuses inspection of the books, records or accounts in his or her custody and control setting forth the number of employees subject to this tax who are in his or her employment, or whoever fails or refuses to file any return required by this article shall be guilty of a violation and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$600 and costs of prosecution and, in default of payment of such fine and costs, to imprisonment for not more than 30 days. The action to enforce the penalty herein prescribed may be instituted against any person in charge of the business of any employer who shall have failed or who refuses to file a return required by this article.

#### **§ 184-26.5. Interpretation.**

- A. Nothing contained in this article shall be construed to empower the political subdivision to levy and collect the tax hereby imposed on any occupation not within the taxing power of the political subdivision under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.
- B. If the tax hereby imposed under the provisions of this article shall be held by any court of competent jurisdiction to be in violation of the Constitution of the United States or of the laws of the Commonwealth of Pennsylvania as to any individual, the decision of the

court shall not affect or impair the right to impose or collect said tax or the validity of the tax so imposed on other persons or individuals as herein provided.

ARTICLE III  
**Penalties and Discounts**  
**[Adopted 12-28-1983 by Ord. No. 850]**

**§ 184-27. Discount period.**

The period for payment of Borough of Edgewood real estate taxes at discount shall be and the same is hereby fixed from the first day of April to May 31 of each fiscal year.

**§ 184-28. Discount rate.**

The rate of discount to all taxpayers subject to the payment of Borough of Edgewood real estate taxes upon making payment of the whole amount thereof within the discount period shall be and the same is hereby fixed at 2%.

**§ 184-29. Continuation of provisions.**

The discount period and discount rate fixed herein shall remain in force from year to year until again changed by ordinance of the Council of the Borough of Edgewood.

**§ 184-30. Period for payment at face.**

The period of payment of Borough of Edgewood real estate taxes at face shall be and same is hereby fixed from the first day of June to July 31 of each fiscal year.

**§ 184-31. Delinquent payments; penalty.**

All such taxes not paid on or before July 31 of each fiscal year shall be considered delinquent and shall be subject to a penalty of 10%.

**ARTICLE IV****Realty Transfer Tax**

[Adopted 12-4-1989 by Ord. No. 890]

**§ 184-32. Short title.**

This article shall be known as the "Realty Transfer Tax Ordinance of the Borough of Edgewood."

**§ 184-33. Statutory authority.**

A realty transfer tax for general revenue purposes is hereby imposed upon the transfer of real estate or interest in real estate situated within Edgewood Borough, regardless of where the documents making the transfer are made, executed or delivered, or where the actual settlements on such transfer took place, as authorized by Article XI-D, "Local Real Estate Transfer Tax," 72 P.S. § 8101-D et seq.

**§ 184-34. Definitions. [Amended 8-1-2005 by Ord. No. 1003]**

As used in this article, the words and phrases defined in 72 P.S. § 8101-C et seq. shall have the meanings ascribed to them in said section.

**§ 184-35. Imposition of tax; interest.**

- A. Every person who makes, executes, delivers, accepts or presents for recording any document or in whose behalf any document is made, executed, delivered, accepted or presented for recording, shall be subject to pay for and in respect to the transaction or any part thereof, a tax at the rate of 1% of the value of the real estate represented by such document, which tax shall be payable at the earlier of the time the document is presented for recording or within 30 days of acceptance of such document or within 30 days of becoming an acquired company.

- B. The payment of the tax imposed herein shall be evidenced by the affixing of an official stamp or writing by the Recorder of Deeds whereon the date of the payment of the tax, amount of the tax and the signature of the collecting agent shall be set forth.
- C. It is the intent of this article that the entire burden of the tax imposed herein on a person or transfer shall not exceed the limitations prescribed in the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, 53 P.S. § 6901 et seq., so that if any other political subdivision shall impose or hereafter shall impose such tax on the same person or transfer then the tax levied by the Borough of Edgewood under the authority of that Act shall during the time such duplication of the tax exists, except as hereinafter otherwise provided, be 1/2 of the rate and such 1/2 rate shall become effective without any action on the part of the Borough of Edgewood; provided, however, that the Borough of Edgewood and any other political subdivision which impose such tax on the same person or transfer may agree that, instead of limiting their respective rates to 1/2 of the rate herein provided, they will impose respectively different rates, the total of which shall not exceed the maximum rate permitted under the Local Tax Enabling Act.
- D. If for any reason the tax is not paid when due, interest at the rate in effect at the time the tax is due shall be added and collected.

**§ 184-36. Exempt parties.**

The United States, the Commonwealth, or any of their instrumentalities, agencies or political subdivisions shall be exempt from payment of the tax imposed by this article. The exemption of such governmental bodies shall not, however, relieve any other party to a transaction from liability for the tax.

**§ 184-37. Excluded transactions.**

A. The tax imposed by § 184-35 shall not be imposed upon:

- (1) A transfer to the Commonwealth, or to any of its instrumentalities, agencies or political subdivisions, by gift, dedication or deed in lieu of condemnation or deed of confirmation in connection with condemnation proceedings, or a reconveyance by the condemning body of the property condemned to the owner of record at the time of condemnation which reconveyance may include property fine adjustments provided said reconveyance is made within one year from the date of condemnation.
- (2) A document which the Borough of Edgewood is prohibited from taxing under the Constitution or Statutes of the United States.
- (3) A conveyance to a municipality, township, school district or county pursuant to acquisition by the municipality, township, school district or county of a tax delinquent property at sheriff sale or tax claim bureau sale.
- (4) A transfer for no or nominal actual consideration which corrects or confirms a transfer previously recorded, but which does not extend or limit existing record legal title or interest.
- (5) A transfer of division in kind for no or nominal actual consideration of property passed by testate or intestate succession and held by covenant; however, if any of the parties take shares greater in value than their undivided interest, tax is due on the excess.
- (6) A transfer between husband and wife, between persons who were previously husband and wife who have since been divorced, provided the property or interest therein subject to such transfer was acquired by the husband and wife or husband or wife prior to the granting of the final decree in divorce, between parent and child or the spouse of such child, between brother or sister or spouse of a brother or sister and brother or sister or the spouse of a brother or sister, and between a subsequent transfer by the grantee within one year shall be subject to tax as if the grantor were making such transfer.
- (7) A transfer for no or nominal actual consideration of property passing by testate or intestate succession from a personal representative of a decedent to the decedent's devisee or heir.
- (8) A transfer for no or nominal actual consideration to a trustee of an ordinary trust where the transfer of the same property would be exempt if the transfer was made

directly from the grantor to all of the possible beneficiaries that are entitled to receive the property or proceeds from the sale of the property under the trust, whether or not such beneficiaries are contingent or specifically named. A trust clause which identifies the contingent beneficiaries by reference to the heirs of the trust settlor as determined by the laws of the intestate succession shall not disqualify a transfer from the exclusion provided by this subsection. No such exemption shall be granted unless the Recorder of Deeds is presented with a copy of the trust instrument that clearly identifies the grantor and all possible beneficiaries.<sup>12</sup>

- (8.1) A transfer for no or nominal actual consideration to a trustee of a living trust from the settlor of the living trust. No such exemption shall be granted unless the Recorder of Deeds is presented with a copy of the living trust instrument. <sup>13</sup>
- (9) A transfer for no or nominal actual consideration from a trustee of an ordinary trust to a specifically named beneficiary that is entitled to receive the property under the recorded trust instrument or to a contingent beneficiary where the transfer of the same property would be exempt if the transfer was made by the grantor of the property into the trust to that beneficiary. However, any transfer of real estate from a living trust during the settlor's lifetime shall be considered for the purposes of this article as if such transfer were made directly from the settlor to the grantee.<sup>14</sup>
- (9.1) A transfer for no or nominal actual consideration from a trustee of a living trust after the death of the settlor of the trust or from a trustee of a trust created pursuant to the will of a decedent to a beneficiary to whom the property is devised or bequeathed. <sup>15</sup>
- (9.2) A transfer for no or nominal actual consideration from the trustee of a living trust to the settlor of the living trust if such property was originally conveyed to the trustee by the settlor. <sup>16</sup>
- (10) A transfer for no or nominal actual consideration from trustee to successor trustee.
- (11) A transfer for no or nominal actual consideration between principal and agent or straw party; or from or to an agent or straw party where, if the agent or straw party were his principal, no tax would be imposed under this article. Where the document by which title is acquired by a grantee or statement of value fails to set forth that the property was acquired by the grantee from, or for the benefit of, his

---

12. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

13. Editor's Note: Added at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

14. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

15. Editor's Note: Added at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

16. Editor's Note: Added at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

principal, there is a rebuttable presumption that the property is the property of the grantee in his individual capacity if the grantee claims an exemption from taxation under this subsection.

- (12) A transfer made pursuant to the statutory merger or consolidation of a corporation or statutory division of a nonprofit corporation, except where the department reasonably determines that the primary intent for such merger, consolidation or division is avoidance of the tax imposed by this article.
- (13) A transfer from a corporation or association of real estate held of record in the name of the corporation or association where the grantee owns stock of the corporation or an interest in the association in the same proportion as his interest in or ownership of the real estate being conveyed and where the stock of the corporation or the interest in the association has been held by the grantee for more than two years.
- (14) A transfer from a nonprofit industrial development agency or authority to a grantee of property conveyed by the grantee to that agency or authority as security for a debt or the grantee or a transfer to a nonprofit industrial development agency or authority.
- (15) A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it, but only if the grantee shall directly use such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing or agriculture; and the agency or authority has the full ownership interest in the real estate transferred.
- (16) A transfer by a mortgagor to the holder of a bona fide mortgage in default in lieu of a foreclosure or a transfer pursuant to a judicial sale in which the successful bidder is the bona fide holder of a mortgage, unless the holder assigns the bid to another person.
- (17) Any transfer between religious organizations or other bodies or persons holding title for a religious organization if such real estate is not being or has not been used by such transferor for commercial purposes.
- (18) A transfer to a conservancy which possesses a tax-exempt status pursuant to 26 U.S.C. § 501(c)(3) and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open-space opportunities; or a transfer from such a conservancy to the United States, the Commonwealth or to any of their instrumentalities, agencies or political subdivisions; or any transfer from such a conservancy where the real estate is encumbered by a perpetual agricultural conservation easement as defined by the act of June 30, 1981 (P.L. 128, No. 43), known as the "Agricultural Area Security Law," and such conservancy has owned the real estate for at least two years immediately prior to the transfer.<sup>17</sup>

---

17. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

- (19) A transfer of real estate devoted to the business of agriculture to a family farm corporation by a member of the same family which directly owns at least 75% of each class of the stock thereof.
  - (19.1) A transfer of real estate devoted to the business of agriculture to a family farm partnership by a member of the same family, which family directly owns at least 75% of the interests in the partnership.<sup>18</sup>
  - (20) A transfer between members of the same family of an ownership interest in a real estate company, family farm corporation or family farm partnership which owns real estate.<sup>19</sup>
  - (21) A transaction wherein the tax due is \$1 or less.
  - (22) Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof.
- B. In order to exercise any exclusion provided in this section, the true, full and complete value of the transfer shall be shown on the statement of value. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. For leases of coal, oil, natural gas or minerals, the statement of value may be limited to an explanation of the reason such document is not subject to tax under this article.

**§ 184-38. Documents relating to associations or corporations.**

Except as otherwise provided in § 184-37, documents which make, confirm or evidence any transfer or demise of title to real estate between associations or corporations and the members, partners, shareholders or stockholders thereof are fully taxable. For the purposes of this article, corporations and associations are entities separate from their members, partners, stockholders or shareholders.

**§ 184-39. Acquired company.**

- A. A real estate company is an acquired company upon a change in the ownership interest in the company, however effected, if the change does not affect the continuity of the company; and of itself or together with prior changes has the effect of transferring, directly or indirectly, 90% or more of the total ownership interest in the company within a period of three years.
- B. With respect to real estate acquired after February 16, 1986, a family farm corporation is an acquired company when, because of voluntary or involuntary dissolution, it ceases to be a family farm corporation or when, because of issuance or transfer of stock or because of issuance or transfer of stock or because of acquisition or transfer of assets that are

---

18. Editor's Note: Added at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

19. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

devoted to the business of agriculture, it fails to meet the minimum requirements of a family farm corporation under this article.

- C. Within 30 days after becoming an acquired company, the company shall present a declaration of acquisition with the recorder of each county in which it holds real estate for the affixation of documentary stamps and recording. Such declaration shall set forth the value of real estate holdings of the acquired company in such county. A copy of the Pennsylvania Realty Transfer Tax Declaration of Acquisition may be submitted for this purpose.

**§ 184-40. Credits against tax.**

- A. Where there is a transfer of a residential property by a licensed real estate broker which property was transferred to him within the preceding year as consideration for the purchase of other residential property, a credit for the amount of the tax paid at the time of the transfer to him shall be given to him toward the amount of the tax due upon the transfer.
- B. Where there is a transfer by a builder of residential property which was transferred to the builder within the preceding year as consideration for the purchase of new, previously unoccupied residential property, a credit for the amount of the tax paid at the time of the transfer to the builder shall be given to the builder toward the amount of the tax due upon the transfer.
- C. Where there is a transfer of real estate which is leased by the grantor, a credit for the amount of tax paid at the time of the lease shall be given the grantor toward the tax due upon the transfer.
- D. Where there is a conveyance by deed of real estate which was previously sold under a land contract by the grantor, a credit for the amount of tax paid at the time of the sale shall be given the grantor toward the tax due upon the deed.
- E. If the tax due upon the transfer is greater than the credit given under this section, the difference shall be paid. If the credit allowed is greater than the amount of tax due, no refund or carryover credit shall be allowed.

**§ 184-41. Extension of lease.**

In determining the term of a lease, it shall be presumed that a right or option to renew or extend a lease will be exercised if the rental charge to the lessee is fixed or if a method for calculating the rental charge is established.

**§ 184-42. Proceeds of judicial sale.**

The tax herein imposed shall be fully paid, and have priority out of the proceeds or any judicial sale of real estate before any other obligation, claim, lien, judgment, estate or costs of the sale and of the writ upon which the sale is made except the state realty transfer tax, and the sheriff, or other officer, conducting said sale, shall pay the tax herein imposed out of the

first moneys paid to him in connection therewith. If the proceeds of the sale are insufficient to pay the entire tax herein imposed, the purchaser shall be liable for the remaining tax.

**§ 184-43. Duties of Recorder of Deeds.**

- A. As provided in 16 P.S. § 11011-6, as amended by Act of July 7, 1983 (P.L. 40, No. 21), the Recorder of Deeds shall be the collection agent for the local realty transfer tax, including any amount payable to the Borough of Edgewood based on a redetermination of the amount of tax due by the Commonwealth of Pennsylvania of the Pennsylvania realty transfer tax, without compensation from the Borough of Edgewood.
- B. In order to ascertain the amount of taxes due when the property is located in more than one political subdivision, the recorder shall not accept for recording such a deed unless it is accompanied by a statement of value showing what taxes are due each municipality.
- C. On or before the 10th of each month, the recorder shall pay over to the Borough of Edgewood all local realty transfer taxes collected, less 2% for use of the County, together with a report containing the information as is required by the Commonwealth of Pennsylvania in reporting collections of the Pennsylvania realty transfer tax. The 2% commission shall be paid to the County.
- D. Upon a redetermination of the amount of realty transfer tax due by the Commonwealth of Pennsylvania, the Recorder shall rerecord the deed or record the additional realty transfer tax form only when both the state and local amounts and a rerecording or recording fee have been tendered.

**§ 184-44. Statement of value.**

Every document lodged with or presented to the recorder of deeds for recording, shall set forth therein and as a part of such document the true, full and complete value thereof, or shall be accompanied by a statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this article. A copy of the Pennsylvania Realty Transfer Tax Statement of Value may be submitted for this purpose. The provisions of this subsection shall not apply to any excludable real estate transfers which are exempt from taxation based on family relationship. Other documents presented for the affixation of stamps shall be accompanied by a certified copy of the document and statement of value executed by a responsible person connected with the transaction showing such connection and setting forth the true, full and complete value thereof or the reason, if any, why such document is not subject to tax under this article.

**§ 184-45. Civil penalties.**

- A. If any part of any underpayment of tax imposed by this article is due to fraud, there shall be added to the tax an amount equal to 50% of the underpayment.
- B. In the case of failure to record a declaration required under this article on the date prescribed therefor, unless it is shown that such failure is due to reasonable cause, there

shall be added to the tax 5% of the amount of such tax if the failure is for not more than one month, with an additional 5% for each additional month or fraction thereof during which such failure continues, not exceeding 50% in the aggregate.

#### **§ 184-46. Lien.**

The tax imposed by this article shall become a lien upon the lands, tenements, or hereditaments, or any interest therein, lying, being situated, wholly or in part within the boundaries of the Borough of Edgewood, which lands, tenements, hereditaments, or interest therein, are described in or conveyed by or transferred by the deed which is the subject of the tax imposed, assessed and levied by this article, said lien to begin at the time when the tax under this article is due and payable, and continue until discharge by payment, or in accordance with the law, and the solicitor is authorized to file a municipal or tax claim in the Court of Common Pleas of Allegheny County, in accordance with provisions of the Municipal Claims and Liens Act of 1923, 53 P.S. § 7101 et seq., its supplements and amendments.

#### **§ 184-47. Enforcement.**

All taxes imposed by this article, together with interest and penalties prescribed herein, shall be recoverable as other debts of like character are recovered.

#### **§ 184-48. Regulations.**

The Recorder of Deeds for Allegheny County, Pennsylvania, is charged with enforcement and collection of tax and is empowered to promulgate and enforce reasonable regulations for enforcement and collection of the tax. The regulations which have been promulgated by the Pennsylvania Department of Revenue under 72 P.S. § 8101-C et seq. are incorporated into and made a part of this article.

### **ARTICLE V**

#### **Senior Citizens Tax Exemption**

**[Adopted 12-3-2001 by Ord. No. 974]**

#### **§ 184-49. Definitions.**

As used in this article, the following terms shall have the meanings indicated:

ACT 77 — The Act of December 22, 1993, Public Law 520. No 77, as amended, codified as the Allegheny Regional Asset District Law, 16 P.S. § 6101 et seq.

ALLEGHENY REGIONAL ASSET DISTRICT LAW — See the definition of "Act 77" above.

ASSESSMENT — The fair market value of property as determined by the Board of Property Assessment, Appeals and Review.

BOARD OF PROPERTY ASSESSMENT — The Board of Property Assessment, Appeals and Review of Allegheny County.

BOROUGH — The Borough of Edgewood in Allegheny County.

COUNCIL — The Council of the Borough of Edgewood.

ELIGIBLE TAXPAYER — A long-time owner/occupant of a principal resident in Allegheny County who is a single person aged 60 or older during a calendar year in which Borough real property taxes are due and assessed; or married persons if either spouse is 60 or older during a calendar year in which Borough real property taxes are due and assessed.

HOUSEHOLD INCOME — All income received by an eligible taxpayer while resident in his or her principal residence during a calendar year.

INCOME — All income from whatever source derived, including but not limited to, salaries, wages, bonuses, commissions, income from self-employment, alimony, support money, cash public assistance and relief, the gross amount of any pensions or annuities including railroad retirement benefits, all benefits received under the Federal Social Security Act (except Medicare benefits), all benefits under state unemployment insurance laws and veteran's disability payments, all interest received from the Federal or any state government or any instrumentality or political subdivision thereof, realized capital gains, rentals, workmens compensation and the gross amount of loss of time insurance benefits, life insurance benefits and proceeds (except the first \$5,000 of the total of death benefit payments), and gifts of cash or property (other than transfer by gift between members of household) in excess of a total value of \$300, but shall not include surplus food or other relief in kind supplied by a governmental agency or property tax or rent rebate or inflation dividend.

LONG-TIME OWNER/OCCUPANT — Any person who for at least 10 continuous years owned or has occupied the same dwelling place as a principal residence and domicile, or any person who for at least five years has owned and occupied the same dwelling as a principal residence and domicile if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program.

PERSON — A natural person.

PRINCIPAL RESIDENCE — The dwelling place of a person, including the principal house and lot, and such lots are used in connection therewith which contribute to its enjoyment, comfort and convenience, or a building with a maximum of one commercial establishment and a maximum of three residential units of which one residential unit must be the principal residence of the long-time owner/occupant.

SENIOR CITIZENS REBATE AND ASSISTANCE ACT — The Act of March 11, 1971, Public Law 104 No. 3, as amended, codified at 72 P.S. § 4751-1 et seq.

#### **§ 184-50. Participation in tax relief program.**

Any person paying property taxes in the Borough may apply to the Allegheny County Treasurer for certification as a participant in the tax relief program authorized by this article. In order to be eligible to participate in the program, the person must meet the following conditions:

- A. The person must be a single person aged 60 or older; or be married persons with either spouse being 60 years of age or older.

- B. The person must be a long-time owner/occupant.
- C. The property owned by the person must be the principal residence and domicile of the resident.
- D. The person's household income must not exceed \$30,000.

**§ 184-51. Rules and regulations.**

The Borough of Edgewood shall have the authority to issue rules and regulations with respect to the administration of the tax relief program established under this article. Such rules and regulations shall include, but shall not be limited to, reasonable requirements and conditions as may be necessary to operate the tax relief program.

**§ 184-52. Tax relief authorized for eligible taxpayers.**

- A. All eligible taxpayers in the Borough of Edgewood shall be entitled to apply for and receive a discount of 10% on the gross or face amount of Borough real property taxes then due and owing during a tax year on an eligible taxpayer's principal residence.
- B. The 10% discount shall be available if the tax owed is paid in full in the year the tax is due; the tax can be paid in two installments due on May 31 and September 30 of the taxable year.

**§ 184-53. Administration.**

The administration of Act 77 shall be within the custody, control and responsibility of the Allegheny County Treasurer.

**§ 184-54. Effective date.**

This article shall be effective January 1, 2002.

