

## **Chapter 24**

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**Part 1****Earned Income Tax****§24-101. 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.

(*Ord. 409*, 11/9/2011, §1)

**§24-102. Definitions.**

1. 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 [fn2] 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.

2. 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).

(Ord. 409, 11/9/2011, §2)

### **§24-103. Imposition of Tax.**

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

2. *Nonresident Tax.* A tax at the rate of \_\_\_\_\_ percent is hereby levied on all earned income and net profits earned by nonresidents for work done or services performed or rendered in \_\_\_\_\_.

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

(Ord. 409, 11/9/2011, §3)

### **§24-104. Administration; Powers and Duties of Officer.**

The collection and administration of the tax provided for in this Part 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.

(Ord. 409, 11/9/2011, §4)

### **§24-105. Exemptions and Credits.**

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

(Ord. 409, 11/9/2011, §5)

### **§24-106. Effective Date.**

This Part shall be effective January 1, 2012. It is the intention of the Borough Council of the Borough of Chalfant that this Part 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.

(Ord. 409, 11/9/2011, §7)

**Part 2****Local Services Tax****§24-201. Short Title.**

This Part shall be known as the “Borough of Chalfant Local Services Tax Ordinance.”

(*Ord. 401, 12/12/2007, §1*)

**§24-202. Definitions.**

The following terms and words, unless otherwise expressly stated, shall have the meaning as hereinafter described:

*Collector and tax collector*—the person or entity appointed by Borough Council from time to time to collect the tax imposed herein and to administer the provisions of this Part.

*Corporation*—any corporation, joint stock company, association, or other legal entity organized and operating under the laws of the United States, the Commonwealth of Pennsylvania, or any other State, territory, foreign country, or dependency.

*Employer*—any individual, fiduciary, partnership, corporation, governmental body, or unit or agency or any other entity who or which employs one or more persons on a salary, wage, commission, or any other type of compensation basis, or who or which pays any remuneration or anything of value for services or forbearance. Where used in this Part, a partnership shall mean and include the individual partners and members of a partnership or association, and a business entity as a corporation shall mean and include the officers of the same.

*Individual or person*—a natural person.

*Nonresident*—a corporation, employer, individual, or any other entity which is domiciled outside the geographic limits of the Borough of Chalfant.

*Occupation*—any enterprise, activity, profession, any undertaking, or forbearance of any nature conducted for profit, or ordinarily conducted for profit by an individual, whereby any wage, salary, commission, something of value, a forbearance, or other remuneration is earned, given, and/or paid.

*Resident*—a corporation, employer, individual, or any other entity which is domiciled within the geographic limits of the Borough of Chalfant.

*Taxpayer*—an individual, corporation, or partnership required to file a return and/or to remit a tax under this Part.

*Wages, salaries, commissions, compensation, and other remuneration*—any of these words or combinations include salaries, wages, commissions, bonuses, incentive payments, fees, gratuities that may accrue or be paid or received by an individual for services rendered or for forbearance, whether directly or through an agent, and whether in cash, property, or any thing of value. The words shall not include periodic payments for sick or disability benefits and those commonly recognized as old-age benefits, retirement benefits, or retirement pay or pensions

paid to individuals retired from service or employment or after a stated period of employment. It shall further not apply to public assistance or unemployment compensation payments. It shall further not apply to compensation paid by the United States to individuals for active service in the Army, Navy, or Air Force of the United States, or to any bonus or additional compensation paid by the United States or the Commonwealth of Pennsylvania or any other State of the United States for such military service.

(*Ord. 401, 12/12/2007, §2*)

**§24-203. Imposition of Tax.**

A tax is hereby imposed in the maximum amount authorized by the statute referenced above which is currently set at \$52 per year per individual for the year 2008, at the rate of \$1 per week during the calendar year of 2008, and for every year thereafter until repealed or amended by Borough Council. The tax is levied for the purposes of police, fire, and emergency services. The tax is imposed on all individual residents and nonresidents who hold an occupation in the Borough of Chalfant.

(*Ord. 401, 12/12/2007, §3*)

**§24-204. Exemptions.**

1. Individuals subject to this tax under this Part who or which earn less than \$12,000 annually from all sources shall be exempt from paying the tax under this Part. In order to be entitled to the exemption an affidavit by each employer for the applicable year must be filed with the tax collector that the individual subject to the tax is anticipated to earn less than \$12,000 for the applicable tax year due to the seasonal nature of employment or other applicable reason.

2. Exempt from the application of this tax are persons who served in any war or armed conflict in the armed forces of the United States of America in accordance with 53 P.S. §6903(c), which provisions are incorporated herein.

(*Ord. 401, 12/12/2007, §4*)

**§24-205. Collection of the Tax.**

1. Every employer who employs one or more individuals for a wage, whose wages are subject to the tax imposed by this Part shall deduct the amount of tax levied by this Part from such wages as defined which are paid to the individual from each payment made during the year as measured from the enactment of this Part, from January first of each succeeding year or from the date of hiring for each employee hired subsequent to the enactment of this Part.

2. The tax shall be paid by the employer to the tax collector on a form to be supplied by the tax collector, if any, which shall include no less information than the employer's name, address, and tax identification number, the employee's name, home address, and Social Security number. The tax shall be remitted to the tax collector within 30 days of deduction from an individual's wages.

3. Every employer shall be liable for the amount of the tax due whether the employer deducts the tax or not, and shall be liable to the Borough of Chalfant for the full amount of the tax and all penalties, charges, interest, fees, and costs as may be due

or which may become due.

(*Ord. 401, 12/12/2007, §5*)

**§24-206. Tax Collector.**

1. Borough Council of the Borough of Chalfant shall designate a tax collector by simple resolution from time to time, who or which shall have full authority to collect such tax and to enforce and administer the terms of this Part. The compensation of the tax collector shall likewise be set by Borough Council by simple resolution from time to time.

2. The tax collector shall collect and receive all taxes and other collections authorized and imposed under this Part. The tax collector shall further furnish receipts for payments, keep and maintain accurate records showing the identities and addresses of all employers and individuals, dates and amounts of payments and when such payments are remitted to the Borough of Chalfant. The tax collector shall further keep such other records as may be ordered by Borough Council from time to time.

3. Taxes collected by the tax collector shall be deposited in such account or accounts as may be approved by Borough Council from time to time. The tax collector shall report to Borough Council every 30 days, or as often as Council directs, on all activities and include all such information as Borough Council may direct and order from time to time.

(*Ord. 401, 12/12/2007, §6*)

**§24-207. Powers of Tax Collector.**

The tax collector is charged and authorized to collect all taxes and other payments due pursuant to this Part, and is further authorized as follows:

A. The tax collector is authorized and empowered to administer and enforce the provisions of this Part and all rules and regulations prescribed, adopted, or promulgated by Borough Council from time to time relating to the collection, enforcement, and administration hereof. Consistent with such rules and regulations, the tax collector shall have the power and authority to collect and deposit taxes and other payments as directed by Borough Council, to examine, re-examine and correct any and all returns filed hereunder, and to compute, settle, resettle, and discharge all taxes and other charges hereby levied.

B. The tax collector or any agent, employee, or official so designated by the Borough of Chalfant is authorized and empowered to examine the books, papers, documents, and records of any employer or taxpayer in order to verify the accuracy of any return made, or if no return was made, to determine and verify the amount due. Employers are obligated and directed to give to the tax collector or the duly authorized agent of the Borough of Chalfant the means, facilities, and opportunity for such examination and investigations as are hereby authorized. The tax collector, or such other agent of the Borough of Chalfant, is hereby authorized to examine any person under oath concerning any income or wages which was or should have been earned, paid or recorded and taxes which were or should have been remitted. The tax collector is authorized and empowered to compel the production of books, papers, and records and the attendance of all persons whether as parties or witness who the tax collector reasonably believes have knowledge of

such income. The tax collector is authorized and empowered to seek search warrants and issue subpoenas to fulfill the duties imposed on the tax collector under this Part.

C. All information learned by the tax collector in the performance of the duties imposed hereunder shall be confidential, except for official purposes and except where disclosure of the information is required for a proper judicial order, decree, or relief, or as may be otherwise provided by law. Any person who violates the provisions of this Section, upon conviction thereof, shall be sentenced to a fine of not more than \$600 plus costs and, in default of payment of said fine and costs, to a term of imprisonment not to exceed 30 days. Each day that a violation of this Part continues shall constitute a separate offense.[*Ord. 408*]

D. It is the intent of the Borough of Chalfant that the tax imposed by this Part shall apply to the fullest extent permissible under law and within the legal powers of the Borough of Chalfant to impose the tax and the duties provided herein.

(*Ord. 401, 12/12/2007, §7; as amended by Ord. 408, 8/11/2011*)

#### **§24-208. Interest, Penalties, Costs, and Attorney Fees.**

1. All taxes and payments due the Borough of Chalfant remaining unpaid after they become due shall bear interest at the maximum rate as permitted under the laws of the Commonwealth of Pennsylvania; such persons or employers shall further be subject to a penalty of 10 percent of the amount due during which time the tax remains unpaid.

2. All sums due under this Part shall be recoverable by the Borough of Chalfant in the same manner as debts, taxes, or other obligations due the Borough are recoverable with full rights in the Borough of Chalfant as are authorized by State law.

3. The Borough of Chalfant has heretofore enacted an Attorney Fee Ordinance, *Ord. 366*, [Chapter 1, Part 5]. The tax collector is authorized and empowered to employ and utilize the services of any attorney and to invoke and impose the fees and costs enabled by that Ordinance in the collection of the taxes and charges due under this Part.

(*Ord. 401, 12/12/2007, §8*)

#### **§24-209. Violations.**

Any person, firm or corporation who shall violate any provision of this Part, upon conviction thereof, shall be sentenced to a fine of not more than \$600 plus costs and attorneys fees as provided herein, and, in default of payment of said fine, costs, and attorney fees to a term of imprisonment not to exceed 30 days. Each day that a violation of this Part continues shall constitute a separate offense.

(*Ord. 401, 12/12/2007, §9; as amended by Ord. 408, 8/11/2011*)



**Part 3****Realty Transfer Tax****§24-301. Definitions.**

The following words or phrases, when used in this Part, shall have the meaning ascribed to them in this Section, except where the content clearly indicates a different meaning:

*Association*—any partnership, limited partnership, or other form of unincorporated enterprise owned, operated, or conducted by two or more persons.

*Borough*—the Borough of Chalfant, County of Allegheny, and State of Pennsylvania.

*Council*—the Borough Council of the Borough of Chalfant, County of Allegheny, and State of Pennsylvania.

*Deed*—any instrument or writing, other than a mortgage or testamentary writing whereby any real property or any interest therein is granted, bargained, sold, transferred, conveyed, assigned, vested, delivered, or accepted.

*Enfeoffee*—the person accepting livery of seisin, or transfer of possession of real estate.

*Enfeoffer*—the person making livery of seisin, or transferring possession of real estate.

*Grantee*—the person named in the deed as party grantee, or transferee.

*Grantor*—the person named in the deed as party grantor, or transferor.

*Person*—every natural person, co-partnership, association, or corporation. Whenever used in any clause prescribing or imposing a penalty. The term “person” as applied to co-partnership or associations shall mean the partner or members thereof and as applied to corporations, the officers and directors thereof.

*Possession*—the livery of seisin, or investiture of title in possession of property in the Borough of Chalfant.

*Secretary*—the Secretary of the Borough of Chalfant.

*Tax*—the tax levied, assessed, and imposed by this Part.

*Tax collector*—shall be the Recorder of Deeds of Allegheny County.

*Value*—the gross sale price of real estate involved in the transfer, and/or change of possession, which shall be the sum of actual cash paid, the market value of property exchanged, the amount of past obligations cancelled or satisfied, the amount of purchase money obligations given, if any, and the amount due all liens, mortgages and other encumbrances under and subject to which the transfer is made. Provided, that where such transfer or instrument shall set forth a small or nominal consideration, the value thereof shall be determined from the price set forth in, or actual consideration for, the contract or agreement of sale, or in the case of a gift, from an actual monetary worth of the property granted, bargained, sold or otherwise conveyed, which in either event shall not be less than the amount of the highest assessment of such lands, tenements or hereditaments for local tax

purposes.

*Transferring real estate*—the transfer and/or change of possession of real estate from the grantor to the grantee by the surrender of possession by the grantor or his agent, and the entry or constructive entry into possession by the grantee or his agent, which transfer or change or possession takes place at the site of the real estate involved, regardless of where the deed is prepared, executed, delivered, accepted, recorded, or where settlement is consummated.

(Ord. 277, 9/14/1972, §1)

**§24-302. Short Title.**

This Part shall be cited as “Chalfant Borough Real Estate Transfer Tax Ordinance” and the tax herein and hereby imposed shall be designated as “Chalfant Borough Real Estate Transfer Tax.”

(Ord. 277, 9/14/1972, §2)

**§24-303. Imposition of Tax.**

An excise tax to provide revenue for general Borough purpose is hereby imposed, levied and assessed upon the privilege of transferring real estate, and/or possession thereof, situated wholly or partly within the Borough of Chalfant, at the rate of 1 percent of the value of the real estate transferred, and/or changed in possession. Said tax is to be imposed, levied, and assessed for the fiscal year 1973 and is to become effective, commencing January 1, 1973, and shall continue in force and effect for all subsequent years. Where the transfer involves real estate situate partly within and partly without the boundaries of the Borough, the tax so levied shall be only on the part of the value apportioned to the part of said real estate within the boundaries of the Borough.

(Ord. 277, 9/14/1972, §3)

**§24-304. Payment and Liability.**

The tax shall be due from and paid by the grantor, or enfeoffer, except that if the grantor, or enfeoffer, for any reason, shall not pay the tax, the grantee, or enfeoffee, shall become liable therefor and remain liable until the tax, penalty, and interest have been discharged or paid according to the provisions of this Part.

(Ord. 277, 9/14/1972, §4)

**§24-305. Certificate to Be Filed.**

On and after the effective date this Part, every grantor, or enfeoffer, or his agent in any transfer, and/or change in possession, of real estate, taxable hereunder, shall, prior to the delivery or acceptance of the deed, and/or evidence of transfer of possession, place thereon a certificate signed by him by a title insurance company, licensed real estate broker or attorney at law which shall be set forth the value of the real estate transferred, and/or exchanged in possession, the amount of real estate transfer tax imposed hereby, that the same has been paid, and the date of payment. No grantee, or enfeoffee, or his agent shall offer for recording or record any deed in the office of the Recorder of Deeds of Allegheny County, Pennsylvania, which deed does not contain said

certificate nor unless the tax as hereby imposed, shall first have been paid.

(*Ord. 277, 9/14/1972, §5*)

**§24-306. Exemptions from Real Estate Transfer Tax.**

No real estate transfer tax shall be due under the provisions of this Part, if the transfer, and/or change of possession of real estate is by a corporation, association, trust, community chest, or foundation organized exclusively for public, charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of any private person, nor shall any taxes be due hereunder for such transfer of real estate, and/or possession thereof, for the love and affection, only, and without consideration or value, as herein defined, between husband and wife, or parent(s) and child (or children).

(*Ord. 277, 9/14/1972, §6*)

**§24-307. Procedure for Payment of Tax.**

1. The real estate transfer tax shall become due from and payable by the grantor, or enfeoffer, at the time of the delivery of the deed, and/or evidence of transfer of possession, and in any instance where the grantor, or enfeoffer, or his agent does not pay the tax at the time of the delivery of the deed, and/or transfer of possession, the tax shall become due and payable by the grantee, or enfeoffee, at the time of the acceptance of the deed, and/or possession by him or his agent.

2. The real estate transfer tax shall be paid to the authorized person as “collector” thereof, and either the grantor, or enfeoffer, or the grantee, or enfeoffee, which ever shall pay the tax, shall file with the tax collector, on forms to be prescribed and prepared by the tax collector, a record of the real estate transfer, in duplicate, setting forth the true, complete and actual value of the real estate involved, the names of the parties, the location of the real estate and such other information as the tax collector may require. The report shall be signed by either the grantor, or enfeoffer, or the grantee, or enfeoffee, or be signed for by one of them by a title insurance company, licensed real estate broker or attorney at law.

3. On and after the effective date of this Part every person who is a grantee, or enfeoffee, in any deed, and/or evidence of transfer of possession involving the transfer of real estate situate wholly or partly within the boundaries of the district where the transfer of such real estate is not taxable under the provisions of this Part, shall file with the collector a report of the conveyance or transfer, and/or change or possession, in duplicate, setting forth the facts required by subsection .2 of this Section.

(*Ord. 277, 9/14/1972, §7*)

**§24-308. Duties of Collector and Secretary.**

1. The tax, interest and penalties, if any, shall be paid to the tax collector, who is hereby charged with the collection thereof.

2. The tax collector shall pay over to the Borough all taxes, interest and penalties received, collected or recovered hereunder. All payments made by the tax collector to the Borough shall be accompanied by accurate written report of the collection transmitted. The tax collector shall deduct such charges for collection as allowed by law.

3. The Secretary is authorized and empowered to prescribe, adopt, and promulgate rules, regulations, and forms relating to any matter or thing pertaining to the administration and enforcement of this Part and the collection of the tax, interest and penalties hereby imposed; subject to the approval of the Borough Council.

(*Ord. 277, 9/14/1972, §8*)

**§24-309. Interest Added to Unpaid Tax.**

Any tax imposed under this Part that is not paid by the date the tax is due shall bear interest as prescribed for interest on delinquent municipal claims under the Act of May 16, 1923, P. L. 207, No. 153, 53 P. S. §7101, *et seq.*, as amended, known as the Municipal Claims and Tax Liens Act. The rate of interest shall be the equivalent of the interest rate imposed by the Commonwealth of PA, pursuant to 72 P.S. §806 and the Municipal Claims and Tax Liens Act.

(*Ord. 277, 9/14/1972, §9; as amended by Ord. 400, 1/10/2007, §3*)

**§24-310. Recovery of Taxes and Interest.**

The tax imposed here and all applicable penalties, costs and interest shall be administered, collected, and enforced under the Act of December 31, 1965, P.L. 1257, No. 511, as amended, known as the Local Tax Enabling Act. If the correct amount of any tax due is not paid by the last date prescribed for timely payment, Chalfant Borough, pursuant to §1102-D of the Tax Reform Code of 1971, 72 P.S. §8102-D, authorizes, empowers and directs the PA Department of Revenue to determine, collect, and enforce the tax with all interest, penalties, and costs.

(*Ord. 277, 9/14/1972, §10; as amended by Ord. 400, 1/10/2007, §2*)

**§24-311. Tax Constitutes Lien Against Property.**

The tax, together with interest and penalties, hereby imposed, when due and unpaid, shall be a lien upon the real estate situate within the boundaries of the Borough, which is the subject of the transfer, said lien to be effective as of the date when the tax becomes due hereunder, and said lien shall continue until discharged by payment or as provided by law. The Solicitor of the Borough is hereby authorized and empowered to file a lien or claim, or otherwise proceed according to law, for the collection of any unpaid or delinquent tax, interest or penalty hereunder.

(*Ord. 277, 9/14/1972, §11*)

**§24-312. Violations.**

It shall be unlawful for any person to falsely or fraudulently do any act or make any return, statement, or certificate under this Part, or to fail to pay the tax, interest, and penalty, if any, imposed by this Part 4.

(*Ord. 277, 9/14/1972, §12*)

**§24-313. Penalties.**

Any person, firm or corporation who shall violate any provision of this Part, upon conviction thereof, shall be sentenced to a fine of not more than \$600 plus costs and, in default of payment of said fine and costs, to a term of imprisonment not to exceed 30

days. Each day that a violation of this Part continues shall constitute a separate offense.

(*Ord. 277, 9/14/1972, §13; as amended by Ord. 328, 12/12/1984, §24-413; by Ord. 340, 9/14/1988, §2; and by Ord. 408, 8/11/2011*)

**§24-314. Adoption of Act No. 77 by Reference.**

1. This Section shall not be deemed to restrict, repeal, or limit *Ord. 277* in any respect. To the contrary, the intent of Borough Council in the enactment of this Section is to broaden the tax base of the real estate transfer tax and to increase the scope and application of said tax. All subjects and incidents of taxation heretofore imposed by Ordinance No. 277 shall and are hereby retained.

2. The Borough of Chalfant adopts and incorporates Act No. 77 referred to immediately herein above. The Borough of Chalfant does hereby tax all such transactions and activities authorized to be taxed pursuant to said statute to the fullest extent possible. All the provisions of Act No. 77 cited herein above are incorporated by reference as though fully set forth herein. The Borough of Chalfant further incorporates all rights, remedies, and allowances set forth in said statute.

3. The Borough of Chalfant does hereby further adopt all regulations promulgated by the Commonwealth of Pennsylvania and its duly authorized agents, servants and departments and the Bureau of Revenue pursuant to Act No. 77. As the same are promulgated and amended, each and every one of the same shall automatically become the law of Chalfant Borough.

4. The Borough Secretary is hereby authorized and directed to forward a certified copy of this Section to the Recorder of Deeds of Allegheny County. Michael A. Della Vecchia, Recorder of Deeds of Allegheny County, or his successors, is hereby fully authorized to collect all such transfer taxes and to act as the agent of the Borough of Chalfant in the Collection of all such taxes to the fullest extent possible as authorized by this Section and by the laws of the Commonwealth of Pennsylvania.

5. If any part of this Section is deemed to be unconstitutional, then it is the intent of Chalfant Borough Council that it would have enacted the balance of the ordinance irrespective of the invalid portion.

(*Ord. 337, 12/10/1986*)



**Part 4****Tax Assessment Limitation Program****§24-401. Definitions.**

*Act 77*—the Act of December 22, 1993, P.L. 529, No. 77, codified as the Allegheny Regional Asset District Law, 16 P.S. §6101-b *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 of Allegheny County.

*Borough*—the Borough of Chalfant.

*Council*—Borough of Chalfant Council.

*Department of Property Assessment*—the Department of Property Assessment, Appeals, Review and Registry of Allegheny County.

*Eligible taxpayer*—a longtime owner/occupant of a principal residence in Chalfant Borough who is: (A) a single person aged 65 or older during a calendar year in which County real property taxes are due and assessed; or (B) married persons if either spouse is 65 or older during a calendar year in which Chalfant Borough real property taxes are due and assessed.

*Household income*—all income received by an eligible taxpayer while residing 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 received under State unemployment insurance laws and veterans’ disability payments, all interest received from the Federal or any State government or any instrumentality or political subdivision hereof, realized capital gains, rentals, workmen’s 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 a 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.

*Longtime owner/occupant*—any person who for at least 10 continuous years has owned or has occupied the same dwelling place as a principal residence and domicile, or any person who for at least 5 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.

*Municipality*—Borough of Chalfant.

*Person*—a natural person.

*Principal residence*—the dwelling place of a person, including the principal house and lot, and such lots as 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 a principal residence of the longtime owner/occupant.

*Senior Citizens Rebate and Assistance Act*—the Act of March 11, 1971, P.L. 104 No. 3, as amended, 72 P.S. §4751-1 *et seq.*

(*Ord. 361, 12/14/1994, §1*)

**§24-402. Limitation of Assessment for Eligible Taxpayers.**

All eligible taxpayers in Borough of Chalfant who are longtime owner/occupants shall be entitled to have the assessment on his or her principal residence maintained at or limited to the amount determined by the Department of Property Assessment for the calendar year 1993 if the eligible taxpayer meets the household income limits for qualification for any amount of property tax rebate under the Senior Citizens Rebate and Assistance Act.

(*Ord. 361, 12/14/1994, §2*)

**§24-403. Participation in Limitation of Tax Assessment Program.**

Any person paying property taxes in Chalfant Borough may apply to participate in the assessment limitation program authorized under this Part. 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 65 or older; or be married persons with either spouse being 65 or older.

B. The person must be a longtime 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 qualify him or her to receive any amount of property tax rebate under the Senior Citizens Rebate and Assistance Act.

(*Ord. 361, 12/14/1994, §3*)

**§24-404. Rules and Regulations.**

The Department of Property Assessment and the Borough's Manager/Secretary shall have the authority to issue rules and regulations with respect to the administration of the limitation of tax assessment program established under this Part. Such rules and regulations shall include, but not be limited to, reasonable proof of household income, proof of residence, proof of qualification for or receipt of a property tax rebate under the Senior Citizens Rebate and Assistance Act and any other reasonable requirements and conditions as may be necessary to operate the tax assessment limitation program.

(*Ord. 361, 12/14/1994, §4*)



**Part 5****Tax Exemption****§24-501. Short Title.**

This Part shall be known as the “Chalfant Borough Tax Exemption Ordinance.”  
(*Ord. 363, 12/14/1994, §1*)

**§24-502. Definitions.**

The following definitions shall be applicable to this Part:

*Actual cost*—the amount of money expended in the construction of a new residential unit or units, or in the rehabilitation of an existing unit.

*Assessed valuation*—the worth assigned to a residential unit or units or dwelling unit as certified to the Borough by the Board of Property Assessment, Appeals and Review. The term “assessed valuation” shall not apply to the worth assigned to land exclusive of buildings.

*Board*—the Board of Property Assessment, Appeals and Review of Allegheny County.

*Deteriorating areas*—locations in the Borough herein designated by Council, and which Council, after public hearing, may determine to be physically impaired on the basis of one or more standards including, but not limited to, the following:

- (1) The residential buildings, by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and/or social liabilities.
- (2) The residential buildings are overcrowded, poorly spaced, or are so lacking in light, space and air as to be conducive to unwholesome living.
- (3) The residential buildings are substandard or unsanitary for healthful and safe living purposes.
- (4) The residential buildings are faultily arranged, cover the land to an excessive extent or show a deleterious use of land, or exhibit any combination of the above which is detrimental to health, safety or welfare.
- (5) A significant percentage of buildings used for residential purposes is more than 20 years of age.
- (6) A substantial amount of unimproved, overgrown and unsightly vacant land exists which has remained so for a period of 5 years or more indicating a growing or total lack of utilization of land for residential purposes.
- (7) A disproportionate number of tax exempt or delinquent properties exist in the area.

An area can be established as deteriorated even though it is not a slum: and any such deteriorating area may include buildings which are not in and of themselves blighted or dilapidated.

*Local taxing authorities*—Allegheny County or Woodland Hills School District enacting implementary legislation pursuant to Act 42 of 1977 and which imposes

taxes on the basis of real property assessments.

*Municipal governing bodies*—Chalfant Borough Council. Allegheny County Board of Commissioners or Woodland Hills School District in which maximum actual costs for exemption are set.

*Person*—any individual, corporation, association, partnership or nonprofit corporation, other than a developer, sponsor, real estate investment trust or other investor receiving subsidy or aid under a Federal program who owns or develops new residential units or who is liable for real estate taxes on new residential construction; taxpayer.

*Residential construction*—the erection of a building or buildings on formerly unoccupied land or on land which buildings which formerly existed have been demolished or razed, which erection consists of a residential unit or units designed to bring about higher standards of housing, safety, health or amenity.

*Residential unit*—any portion of property set aside and intended for use as living quarters for one or more individuals, such portion having a separate kitchen and a minimum of one bathroom for the use of its occupant or occupants. Residential units shall not include any units constructed pursuant to Federally subsidized programs providing for rental units including, but not limited to, §804, Housing and Community Development Act of 1974, P.L. 93-393; §236, U.S. Housing Act of 1937; and §202, U.S. Housing Act of 1959.

*Type of unit*—house, townhouse, apartment, duplex, semi-detached house or other dwelling place.

(Ord. 363, 12/14/1994, §2)

#### **§24-503. Boundaries.**

Borough Council shall determine what areas shall be deemed to be deteriorated areas pursuant to this Part, following public notice and hearing. The same may be determined in the sole and exclusive discretion of Council by simple resolution. For purposes of this Part, the plan known as Pin Oak Plan Lots Nos. 4, 5 and 6, Plan Book Volume 128, 132, is hereby designated as a deteriorating area.

(Ord. 363, 12/14/1994, §3)

#### **§24-504. Exemption.**

1. The exemption from taxes shall be limited to the assessment valuation attributable to the cost of construction of the new dwelling unit not in excess of \$50,000. The exemption shall commence in the tax year immediately following the year in which the building permit is issued. No tax exemption shall be granted under the provisions of this Part for the construction of any dwelling unit in excess of the uniform maximum cost specified by the municipal governing body.

2. For the first, second and third year for which said newly-constructed dwelling unit or units would otherwise be taxable, 100 percent of the eligible assessment shall be exempted; after the third year the exemption shall terminate.

(Ord. 363, 12/14/1994, §4)

#### **§24-505. Borough Governmental Cooperation.**

The Borough may join co-existing local taxing authorities for the purpose of setting up procedures that will implement the intention of this Part, and the Borough may cooperate with such co-existing taxing bodies to encourage residential construction in deteriorating areas which this Part is intended to bring about, except as restricted by this Part or any other ordinance, act of legislature, or law of the Federal government. The Borough may also cooperate with other municipal governing bodies to establish a uniform maximum exemption.

(*Ord. 363, 12/14/1994, §5*)

**§24-506. Procedures for Obtaining Exemption.**

At the time a person secures a building permit for the construction of a new residential unit or units in a deteriorated area, for which that person intends to request exemption from taxation, that person may apply to the Allegheny County Board of Property Assessment, Appeals and Review for exemption of the taxes that would otherwise be imposed on the basis of the assessed valuation of that property in the following manner:

A. At the time the building permit is obtained, a form must be obtained from the building inspector, completed and returned to the building inspector.

B. The request for exemption must be in writing and certified on that form setting forth the following information:

(1) The date the building permit was issued for such construction or rehabilitation.

(2) The type of improvements or the number and type of residential units for which exemption is requested.

(3) A summary of the plan of the improvements or the plan of the construction of the new residential units.

(4) The actual cost of the improvements or the actual cost of such residential units.

(5) Such additional information as the building inspector may require.

C. Such completed form must be approved by the building inspector and forwarded to the Board.

D. When the improvements or construction have been completed, the property owner must notify the Board and notify the building inspector so that an inspection of the improvements or construction may be made. When the building inspector has completed the inspection, the Board will assess the property in question for purposes of calculating the amount of the assessment eligible for tax exemption under this Part.

E. The assessor shall send the required form to the building inspector certifying the amount of the increase in assessment attributable to the improvement or to the new construction, and the amount of the assessment eligible for exemption. The building inspector shall then exonerate that portion of the increase and forward the same to Borough Council to refund the amount of the taxes attributable to the exemption up to the eligible maximum amount.

F. Appeals from the assessment may be taken by the taxpayer or by the

Borough as provided by law.

(*Ord. 363, 12/14/1994, §6*)

**§24-507. Transferability.**

The exemption from taxes authorized by this Part shall be upon the property exempted and shall not terminate upon the sale, exchange or other alienation of such property.

(*Ord. 363, 12/14/1994, §7*)