

**DAUPHIN COUNTY TAX COLLECTION COMMITTEE**

**RESOLUTION NO. 2020-1**

**Approved: June 17, 2020**

**A RESOLUTION OF THE DAUPHIN COUNTY  
TAX COLLECTION COMMITTEE  
RATIFYING THE EXTENSION OF THE DEADLINES FOR  
FILING FINAL EIT RETURNS AND PAYING TAXES  
RELATED THERETO UNTIL JULY 15, 2020, AND TAKING CERTAIN  
OTHER ACTIONS INCIDENT THERETO**

WHEREAS, by Act of July 2, 2008, P.L. 197, No. 32, §23, 53 P.S. §6924.501 et seq. (hereafter, Act 32), the collection of local income taxes has been consolidated on a countywide basis throughout the Commonwealth of Pennsylvania; and

WHEREAS, §504 of Act 32 established the Dauphin County Tax Collection District “for purposes of collecting income taxes[,]” 53 P.S. §6924.504(a); and

WHEREAS, under §505 of Act 32, the Dauphin County Tax Collection District is “governed by a tax collection committee [hereafter, the Dauphin County TCC] \* \* \*[,]” 53 P.S. §6924.505(a); and

WHEREAS, among other matters, the Dauphin County TCC has the statutory duty “[t]o appoint and oversee a tax officer for the tax collection district \* \* \*[,]” 53 P.S. §6924.505(a.1)(2); and

WHEREAS, the Dauphin County TCC has appointed Keystone Collections Group (hereafter, Keystone) of Irwin, Pennsylvania as tax officer for the Dauphin County Tax Collection District; and

WHEREAS, under §509 of Act 32, Keystone, as the appointed tax officer for the Dauphin County Tax Collection District, has the specific duty “[t]o comply with all regulations adopted by the [D]epartment [of Community and Economic Development] under \* \* \* [Act 32] and all resolutions, policies and procedures adopted by the [Dauphin County] tax collection committee[,]” 53 P.S. §6924.509(a)(5); and

WHEREAS, under §502 of Act 32, “[e]very taxpayer shall, **on or before April 15 of the succeeding year**, make and file with the resident tax officer, a final return showing the amount of taxable income received during the period beginning January 1 of the current year and ending December 31 of the current year, the total amount of tax due on the taxable income, the amount of tax paid, the amount of tax that has been withheld \* \* \* and the balance of the tax due[,]” (emphasis added) 53 P.S. §6924.502(c)(1); and

WHEREAS, also under §502 of Act 32, “[a]t the time of filing the final return, **the taxpayer shall pay the resident tax officer the balance of the tax due** or shall make demand for refund or credit in the case of overpayment[.]” (emphasis added) 53 P.S. §6924.502(c)(1); and

WHEREAS, although Act 32 authorizes the Department of Community and Economic Development to: (i) establish criteria under which the tax officer may, in certain circumstances, waive the “quarterly” return and payment of local earned income tax, and (ii) establish conditions under which a tax officer may abate interest or penalties otherwise imposed,<sup>1</sup> Act 32 nowhere authorizes the tax collection committee or its appointed tax officer to change the April 15<sup>th</sup> deadline for filing final returns and paying “the balance of the tax due[.]” contrast 53 P.S. §6924.502(c)(1) with 53 P.S. §6924.502(c)(3) or 53 P.S. §6924.509(i)(2); and

WHEREAS, on March 6, 2020, Tom Wolf, Governor of the Commonwealth of Pennsylvania, proclaimed the existence of a disaster emergency throughout the Commonwealth; and

WHEREAS, the ongoing disaster emergency and the attendant economic dislocation have disrupted, and threatened to continue to disrupt, the normal tax collection process in the Dauphin County Tax Collection District and throughout the Commonwealth of Pennsylvania; and

WHEREAS, by written communication dated March 23, 2020, Keystone notified the Dauphin County TCC that, “[f]or local EIT purposes, Keystone is \* \* \* extending the individual filing deadlines to \* \* \* July 15, 2020[.]” (see **Exhibit A** hereto); and

WHEREAS, on March 23<sup>rd</sup>, Keystone further notified the Dauphin County TCC that it “will not apply penalty and interest on Tax Year 2019 Final Return payment until after July 15[.]” (see **Exhibit A**); and

WHEREAS, on March 27, 2020, The Fiscal Code, Act of April 9, 1929, P.L. 343, No. 176 (hereafter, Fiscal Code), was amended to add thereto Article I-A which provides emergency finance and tax provisions in response to the ongoing disaster emergency; and

WHEREAS, Section 102-A(a) of Article I-A specifically amends the Fiscal Code to “provide [ ] temporary authority to the Department of Revenue to deal with State taxation during the state of disaster emergency announced by the Governor’s March 6, 2020 Proclamation \* \* \* [.]” and

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<sup>1</sup> With respect to quarterly returns, Act 32 states: “The department shall establish criteria under which the tax officer may waive the quarterly return and payment of the income tax and permit a taxpayer to file the receipt of taxable income on the taxpayer’s annual return and pay the income tax due on or before April 15 of the succeeding year.” 53 P.S. §6924.502(c)(3). With respect to interest and penalties, Act 32 states: “The department may establish conditions under which a tax officer, **with the concurrence of the tax collection committee**, may abate interest or penalties that would otherwise be imposed for the nonreporting or underreporting of income tax liabilities or for the nonpayment of income taxes previously imposed and due if the taxpayer voluntarily files delinquent returns and pays the income taxes in full.” (Emphasis added.) 53 P.S. §6924.509(i)(2).

WHEREAS, under Section 102-A(b)(1) of Article I-A, “[t]he [D]epartment [of Revenue] shall extend filing and payment deadlines under \* \* \* [the state income tax code;]” and

WHEREAS, under section 102-A(b)(2) of Article I-A, “[t]he [D]epartment [of Revenue] shall disregard the period after April 14, 2020 and before July 16, 2020 in the calculation of interest, a penalty or an addition to tax for failure to meet the extended deadline [i.e., July 15<sup>th</sup>;]” and

WHEREAS, under Section 102-A(c) of Article I-A, the temporary authority provided to the Department of Revenue to “deal with state taxation during the state of disaster emergency” shall expire on July 31, 2020; and

WHEREAS, Section 103-A(a) of Article I-A specifically amends the Fiscal Code to “provide[] temporary authority to the Department of Community and Economic Development to deal with **local taxation** during the state of disaster emergency announced by the Governor’s March 6, 2020 Proclamation \* \* \* [;]” (emphasis added) and

WHEREAS, under Section 103-A(b)(1) of Article I-A, “\* \* \* the [D]epartment [of Community and Economic Development] **shall coordinate** with the **governing bodies and local agencies of political subdivisions** to \* \* \* [e]xtend filing and payment deadlines for local taxes \* \* \* so that the deadlines coincide with the filing deadline for a tax return and payment under [the state income tax code,]” (emphasis added); and

WHEREAS, under Section 103-A(b)(2) of Article I-A, “\* \* \* the [D]epartment [of Community and Economic Development] **shall coordinate** with the **governing bodies and local agencies of political subdivisions** to \* \* \* “[d]isregard the period after April 14, 2020, and before July 16, 2020, in the calculation of interest, a penalty or an addition to tax for failure to meet the extended deadline [i.e., July 15<sup>th</sup>;]” (emphasis added) and

WHEREAS, under Section 103-A(c) of Article I-A, the temporary authority provided to the Department of Community and Economic Development to “deal with **local taxation** during the state of disaster emergency” shall expire on July 31, 2020; and

WHEREAS, §501 of Act 32 defines a **public agency** as “[a]ny and all public bodies, authorities, agencies, instrumentalities, **political subdivisions**, intermediate units, councils, boards, commissions or similar governmental entities[.]” (emphasis added) 53 P.S. §6924.501; and

WHEREAS, §501 of Act 32 defines a **political subdivision** to include, *inter alia*, “cit[ies] of the third class, borough[s], \* \* \* township[s] of the first class, township[s] of the second class, [and] school district[s] \* \* \* [.]” 53 P.S. §6924.501; and

WHEREAS, for purposes of local taxation under Act 32 and Section 103-A(b) of Article I-A to the Fiscal Code, the Dauphin County TCC is a “local agency” of the political subdivisions that appoint delegates to the Dauphin County TCC under the requirements of Act 32; and

WHEREAS, contrary to the clear mandate of Section 103-A(b) of Article I-A to the Fiscal Code, the Department of Community and Economic Development has failed to communicate or “coordinate” with the Dauphin County TCC concerning the extension of the filing and payment deadlines for local taxes and the calculation of interest and penalties thereon; and

WHEREAS, due to the disaster emergency proclaimed by the Governor, the Dauphin County TCC has heretofore been unable to meet to take official action on any issues of local taxation which have arisen from the disaster emergency; and

WHEREAS, under §505 of Act 32, the Dauphin County TCC has the statutory power “[t]o adopt \* \* \* resolutions to carry out its powers and duties \* \* \* [.]” including its duty to “oversee” the appointed tax officer, 53 P.S. §6924.505(a.1)(2) and (a.2)(1); and

WHEREAS, the Dauphin County TCC wishes to take official action by way of Resolution on certain issues of local taxation that have arisen from, (i) the disaster emergency, and (ii) the failure of the Department of Community and Economic Development to communicate or coordinate with the Dauphin County TCC.

NOW, THEREFORE, on this 17<sup>th</sup> day of June, 2020, be it resolved by the Dauphin County TCC as follows:

Section 1. Addition of Article I-A to Fiscal Code. The TCC acknowledges the addition of Article I-A to the Fiscal Code, supra, concerning emergency finance and tax provisions. The TCC further acknowledges that filing and payment deadlines for 2019 state taxation have been extended to July 15, 2020 pursuant to the addition of Article I-A to the Fiscal Code, supra.

Section 2. Ratification. The TCC acknowledges receipt of Keystone’s notice (see Exhibit A) concerning the extension of the filing and payment deadlines for local earned income taxes. Consistent with Article I-A to the Fiscal Code, supra, the TCC hereby ratifies the extension of the filing and payment deadlines for local earned income taxes so that such deadlines coincide with the filing deadlines for a tax return and payment for 2019 state taxation.

Section 3. Interest on Penalties. Consistent with Article I-A to the Fiscal Code, supra, the TCC hereby ratifies actions taken (or to be taken) by Keystone, the appointed tax officer, to disregard the period after April 14, 2020 and before July 16, 2020 in the calculation of interest, penalties or additions to local earned income tax for failure to meet the extended deadline (i.e., July 15<sup>th</sup>).

Section 4. Express Limitation on Ratification. The TCC’s ratifications are intended to effectuate the purposes of Article I-A of the Fiscal Code, supra, and are expressly limited to the purposes stated at Sections 2 and 3 above. The TCC specifically does not ratify or concur with additional extensions of the filing and payment deadlines for local earned income taxes, or the abatement of interest and penalties thereon. Moreover, the TCC does not otherwise concur

with the abatement of interest or penalties under Act 32 (see n.1, supra.), and it shall not do so in the future unless reasonably requested to do so by Keystone. Should Keystone in the future reasonably request the abatement of interest or penalties under Act 32, any concurrence given by the Dauphin County TCC shall not be effective unless given by official action at a public meeting.


Section 5. Oversight. By its express terms (see Section 103-A (c), supra.), the temporary authority to deal with local taxation during the state of disaster emergency provided to the Department of Community and Economic Development under Section 103-A(a) of Article I-A (amendment to Fiscal Code) shall expire on July 31, 2020. Therefore, pursuant to the TCC's statutory duty to oversee Keystone, the appointed tax officer, and consistent with Keystone's duty to comply with resolutions adopted by the TCC, the TCC hereby requires Keystone, following expiration of Section 103-A, to promptly report to the Executive Committee on all matters of local taxation of interest and relevance to the TCC. (See 53 P.S. §§6924.505(a.1)(2) and 6924.509(a)(5).) The form and substance of such report shall be to the satisfaction of the Executive Committee.

Section 6. Additional Authorization. The Executive Committee of the Dauphin County TCC is hereby authorized and directed to execute and deliver such other documents necessary to carry out the purposes of this Resolution, with the advice of the Dauphin County TCC's solicitor. The Secretary is hereby authorized and directed to attest any such documents so executed and delivered.

ATTEST

DAUPHIN COUNTY  
TAX COLLECTION COMMITTEE

  
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Kaye Thema, Secretary

By:   
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August "Skip" Memmi, Chairperson

DAUPHIN COUNTY  
TAX COLLECTION COMMITTEE

EXHIBIT A

To Resolution No. 2020-01

**From:** Client Services Notifications  
**Sent:** Monday, March 23, 2020 1:52 PM  
**Subject:** Keystone Operations Update

To our Clients,

We hope you are healthy and safe as we navigate together the unprecedented challenges brought on by the COVID-19 outbreak.

We are very pleased to share with you that the Governor's office has recognized the necessity of Keystone continuing operations during Pennsylvania's emergency business closure, in response to our formal request for a Waiver from the business closure Order issued last week. Keystone is continuing tax processing without interruption.

In so doing, Keystone has moved about 90% of our operations to work remotely, with the limited remaining employees able to have ample space to adhere to the social distancing guidelines of the CDC for continued safety. We know this is a time of great need and uncertainty for many of our clients. We are hopeful that the Federal government's actions result in continued employment and payroll, so that your withholding revenues continue. We are uncertain whether other Act 32 tax collectors are able to maintain their operations, or to what capacity. As withholdings must transfer between and among PA's 15 tax collectors, disruptions by other collectors could negatively impact revenue. For our part, we are operating at full capacity to keep revenue flowing to local governments and school districts. Our technology experts are ensuring that our departments and professionals are well equipped to work remotely and continue to be available to assist you.

Many clients have asked today whether we have yet extended the Annual Final Return deadline. As in years past, the local EIT filing deadline always aligned with the Federal and State filing deadlines. You are likely aware that the PA Department of Revenue announced this morning that Pennsylvania's filing deadlines were indeed extended to July 15 like the Federal deadlines. For local EIT purposes, Keystone is accordingly extending the individual filing deadlines to match the State and Federal date of July 15, 2020. We will not apply penalty and interest on Tax Year 2019 Final Return payments until after July 15.

Several of you have reached out to thank Keystone for being their partner and working together with them to get through this challenging time. We are all entering a new work standard. Together, we are finding new ways to keep us connected, progressive, informed, and we will come out of this situation stronger. While we may remain apart physically right now, we're all in this together.

Thank you.