

**BOROUGH OF COLWYN  
DELAWARE COUNTY, PENNSYLVANIA**

**ORDINANCE NO. 2021-1021-01  
EARNED INCOME TAX ORDINANCE FOR FISCAL YEAR 2022**

The Colwyn Borough Council, pursuant to the authority vested in it by the Pennsylvania Borough Code, the Local Tax Enabling Act, and Act 32 of 2008 hereby enacts the following Ordinance establishing and setting forth or fixing the Earned Income Tax Rates for the Borough of Colwyn.

**SECTION 1. Definitions.**

All terms defined in the Local Tax Enabling Act shall have the meanings set forth therein. The following terms shall have the meanings set forth herein:

**Borough**

Colwyn Borough, Delaware County, Pennsylvania.

**COLLECTOR**

The person or entity appointed as tax officer pursuant to the Local Tax Enabling Act to collect the tax.

**EFFECTIVE DATE**

January 1, 2022.

**GOVERNING BODY**

The Borough Council of Colwyn Borough, Delaware County.

**LOCAL TAX ENABLING ACT**

The Local Tax Enabling Act, as set forth in 53 P.S. § 6901 et. seq., while such numbering and provisions remain in effect under Act 32 of 2008, and as set forth in 53 P.S. § 6924.101 et. seq., when such numbering and provisions become effective under Act 32 of 2008, and as amended in the future.

**TAX**

The tax imposed by this ordinance.

**TAX RETURN**

A form prescribed by the collector for reporting the amount of tax or other amount owed or required to be withheld, remitted or reported under this ordinance or the Local Tax Enabling Act.

**TAX YEAR**

The period from January 1 to December 31.

**TCC**

The Tax Collection Committee established to govern and oversee the collection of earned income tax within the TCD under the Local Tax Enabling Act.

**TCD**

Any tax collection district to which the Township or any part of the Township is assigned under the Local Tax Enabling Act.

**THIS ORDINANCE**

This article.

**SECTION 2. Imposition of tax; rate.**

**A.**

General purpose resident tax. The Borough hereby imposes a tax for general revenue purposes at the rate of \_\_\_% on earned income and net profits of individual residents of the Borough.

**B.**

General purpose nonresident tax. The Borough hereby imposes a tax for general revenue purposes at the rate of 1% on earned income and net profits derived by an individual who is not a resident of the Borough from any work, business, profession or activity of any kind engaged in within the boundaries of the Borough.

**C.**

Ongoing tax. The tax shall continue at the above rates during the current tax year and each tax year thereafter, without annual reenactment, until this ordinance is repealed or the rate is changed by subsequent Ordinance.

**D.**

Combined tax rate applicable to residents. Currently, the total rate applicable to residents of the Borough, including the tax imposed by the school district and municipality in which the individual resides, is 1%.

**E.**

Municipal tax rate applicable to nonresidents. Currently, the total rate applicable to nonresidents working within the Borough based on the municipal nonresident tax rate is 1%.

**F.**

Local Tax Enabling Act applicable. The tax is imposed under authority of the Local Tax Enabling Act, and all provisions thereof that relate to a tax on earned income or net profits are incorporated into this ordinance. Any future amendments to the Local Tax Enabling Act that are required to be applied to a tax on earned income or net profits will automatically become part of this ordinance upon the effective date of such amendment, without the need for formal amendment of this ordinance, to the maximum extent allowed by 1 Pa.C.S.A. § 1937.

**G.**

Applicable laws, regulations, policies and procedures. The tax shall be collected and administered in accordance with all applicable laws and regulations; and policies and procedures adopted by the TCC or by the collector. This includes any regulations, policies and procedures adopted in the future to the maximum extent allowed by 1 Pa. C.S.A. § 1937.

**SECTION 3. Exemptions.**

Although credits and deductions against the tax are permitted under certain circumstances as provided in applicable law and regulations, no individuals are exempt from the tax based on age, income or other factors.

**SECTION 4. Tax returns and payments.**

Every individual receiving earned income or earning net profits in any tax year shall file tax returns and pay the tax in accordance with the Local Tax Enabling Act.

**SECTION 5. Employer withholding, remittance and tax returns.**

Every employer shall register, withhold and remit the tax, and file tax returns in accordance with the Local Tax Enabling Act.

**SECTION 6. Collection of tax.**

The tax will be collected from individuals and employers by the collector.

**SECTION 7. Interest, penalties, costs and fines.**

Individuals and employers are subject to interest, penalties, costs and fines in accordance with the Local Tax Enabling Act, including costs imposed by the collector in accordance with the Local Tax Enabling Act.

**SECTION 8. Purpose; effect on prior revisions.**

The primary purpose of this ordinance is to establish and conform the earned income tax in accordance with the Local Tax Enabling Act, as amended and restated by Act 32 of 2008. Any prior enactment imposing a tax on earned income or net profits of individuals is amended and restated in its entirety to read as stated in this ordinance. Any other prior

enactment or part of any prior enactment conflicting with the provisions of this ordinance is rescinded insofar as the conflict exists. Any ordinance, or part of ordinance conflicting with this ordinance be and the same is hereby repealed in so far as the same affects this ordinance.

**SECTION 9.** The provisions of this ordinance are severable, and if any clause, sentence, subsection or section hereof shall be adjudged by any Court of competent jurisdiction to be illegal, invalid or unconstitutional, such judgment or decision shall not affect, impair or invalidate the remainder but shall be confined in its operation and application to the clause, sentence, subsection or section rendered. It is hereby declared the intent of the Borough Council that this ordinance would have been adopted if such illegal, invalid, or unconstitutional clause, sentence, subsection, or section had not been included therein.

**SECTION 10.** This ordinance is effective on the Effective Date, and shall remain in effect hereafter until revised, amended, or revoked by action of the Borough of Colwyn.

**ADOPTED**, this \_\_\_\_ day of September of 2021.