BOROUGH OF SEVEN FIELDS

ORDINANCE NO. 69
Amended March 13, 2006

AN ORDINANCE OF THE BOROUGH OF SEVEN FIELDS, BUTLER COUNTY, PENNSYLVANIA ESTABLISHING A BUSINESS PRIVILEGE TAX

BE IT ORDAINED AND ENACTED by the Council of the Borough of Seven Fields, County of Butler, Commonwealth of Pennsylvania, and it is hereby ENACTED AND ORDAINED as follows:

Article 1. Title.

This Article may be known and cited as the "Business Privilege Tax Ordinance of 2005," imposed under the authority of Act 511 of 1965, P. L. 1257, and its amendments, known as the "Local Tax Enabling Act."

Article 2. Definitions and Word Usage.

Definitions. The following words and phrases, when used in this Article, shall have the meanings ascribed to them in this section unless the context clearly indicates a different meaning:

A. **BOROUGH** – The Borough of Seven Fields.

B. **BUSINESS, TRADES, OCCUPATIONS and PROFESSIONS** – Those enterprises engaged in by printers; lithographers; processors; hotel operators; motel operators; warehousemen; upholsterers; doctors; lawyers; dentists; engineers; architects; chemists; chiropractors; chiropodists; morticians; certified public accountants; public accountants; promoters; factors; real estate brokers; barbershop operators; beauty shop operators; cleaning; pressing and dyeing establishment operators; laundry and launderette operators; shoe repair shop operators; tailors; seamstresses; electrical, plastering, bricklaying, carpentry, heat, ventilating, plumbing and painting contractors; contractors engaged in the class of heavy building or other construction of any kind or in the alteration, maintenance or repair thereof; repairers of electrical, electronic and automotive machinery or equipment or other machinery and equipment and other wares and merchandise; and all other businesses, trades, occupations and professions in which there is offered any goods or services to the general public or a limited number thereof.

C. **BERKHEIMER ASSOCIATES** –The Agency collecting the business privilege tax on behalf of the Borough of Seven Fields.

D. **PERSON** – Any individual, partnership, limited partnership, association or corporation.

E. **SERVICE** – Any act or instance of helping or benefiting another for a consideration.

F. **TAX YEAR** – The twelve-month period beginning the first day of January.

G. **TEMPORARY, SEASONAL OR ITINERANT BUSINESS** – Any business that is conducted at one (1) location for less than sixty (60) consecutive calendar days.

H. **GROSS RECEIPTS** -- The term gross receipts is defined to be the receipts garnered by the business during the prior yearly calendar period, January 1st to December 31st. In the cases of a new business or a business not completing a full year of business during the prior calendar year, gross receipts should be determined by taking the gross receipts garnered while in business the prior year divided by the number of months in business times 12. It is on this figure that the business will calculate its liability for that tax year.

I. **NEW BUSINESS** – Any business which has opened for operation during a tax year beginning after January 1, 2006. The business shall calculate their potential gross receipts for that period by multiplying their first FULL month of gross receipts times the number of months that are remaining in that first calendar year. The $50,000 annual gross receipt threshold for taxation shall also be prorated for that year as well, by dividing the threshold by 12 and multiplying this

factor by the number of full months remaining in the year. If the estimated gross receipts for the year exceed this figure the business shall pay the tax based on the following formula: Number of months in business in that calendar year x (times) $41.67. The result of this calculation will be the tax due for that calendar year.

Word Usage. The terms as hereinbefore defined in the definitions of "business, trade, occupation and profession" and "person" in this section shall not include the following: employees, agencies of the government of the United States or of the Commonwealth of Pennsylvania or nonprofit corporations or associations organized solely and exclusively for religious, educational or charitable purposes and not conducting any regular or established business competing commercially with any other person subject to the tax herein imposed.

Article 3. Determination of applicability.

Any person who advertises a business address or telephone number located in the borough or who maintains a place of business within the borough shall be deemed to be doing business within the borough for the purposes of this Article, but any person who believes he/she is not so engaged may appeal to the Borough Council for a determination of his/her status.

Article 4. Imposition of tax.

For the tax year beginning January 1, 2006, and each year thereafter, the borough hereby imposes an annual business privilege tax and registration requirements in the manner and at the fees and rates hereinafter set forth.

Article 5. Registration required.

A Every person desiring to continue to engage in or hereafter to begin to engage in a business, trade, occupation or profession at an actual place of business in the borough shall, on or before the commencement of the tax year or prior to commencing business in such tax year, make application for registration for each place of business in the borough with Berkheimer Associates unless he/she has previously registered. Such registration need be made only once by the completion of an application furnished by Berkheimer Associates. Each application for registration shall be signed by the applicant if a natural person, and in the case of an association or a partnership by a member or partner thereof, and in the case of a corporation by an officer thereof. Each applicant shall receive a certificate of registration from Berkheimer Associates, which shall not be assignable. In the case of loss, defacement or destruction of any certificate, the person to whom the certificate was issued shall apply to Berkheimer Associates for a new certificate, for which a fee of two dollars ($2.00) shall be charged.

B. If the Borough Council learns of any person who is doing business in the borough without having registered as required in this section, it shall forward the name to Berkheimer Associates, who shall then add the name of the person so reported to the tax roll.

C. If Berkheimer Associates learns of any person who is doing business within the borough without having registered with him/her, he/she shall transmit the name of that person to the Borough Council, who shall in turn direct him/her to add the name to the tax roll.

D. Any person whose name is added to the tax roll under either of the two (2) subsections immediately above shall be subject to the provisions of Article 3.

Article 6. Amount; time of payment.

A. Every person engaging in a business, trade, occupation or profession in the borough who maintains a place of business therein with over $50,000 of gross receipts shall pay an annual business privilege tax for the tax year beginning January 1, 2006, and each year thereafter, in the sum of five hundred dollars ($500.00).

B. Whenever a business is begun during the taxable year, upon registering as required by Article 5, the person shall pay a tax proportional to the period remaining in the taxable year.

C. Said tax shall be paid to Berkheimer Associates within thirty (30) days from the date the same shall become due.

Article 7. Powers and duties of Berkheimer Associates.

A. It shall be the duty of Berkheimer Associates to collect and receive the fees, taxes, fines and penalties imposed by this Article. It shall also be his/her duty to keep a record showing the amount received by him/her from each person paying the tax and the date of such receipt.

B. Berkheimer Associates is hereby authorized and directed to make and keep such records, prepare such forms, make such regulations and take such other measures as may be necessary or convenient to carry this Article into effect. For such services, Berkheimer shall receive a fee of two and one-half percent (2-1/2%) of the taxes collected.

Article 8. Collection; interest; nonpayment charges.

A. All taxes due and unpaid under this Article shall be collected by Berkheimer Associates as other delinquent personal taxes are now collected, with the assistance of the Borough Solicitor, when requested.

B. All taxes due under this Article shall bear interest at the rate of one per cent (1%) per month or fractional part of a month, from the day they are due and payable until paid. If any taxpayer shall neglect or refuse to make any return or payment as herein required, an additional ten percent (10%) of the amount of the tax shall be added by Berkheimer and collected.

Article 9. Disposition of funds.

All taxes, interest, and penalties collected or received under the provisions of this Article shall be paid into the treasury of the borough for the use and benefit of the borough.

Article 10. Construal of provisions.

Nothing contained in this Article shall be construed to empower the borough to levy and collect the taxes hereby imposed on any person not within the taxing power of the Borough of Seven Fields under the laws or Constitution of the United States and/or, in the alternative, the Constitution and the laws of the Commonwealth of Pennsylvania.

Article 11. When effective; continuation.

This Article shall go into effect thirty-one (31) days after its enactment. The tax levied hereunder shall be imposed for the calendar year 2006 and for each calendar year thereafter.

Article 12. Saving clause.

The validity of any present resolution or ordinance or part of any resolution or ordinance providing for or relating to the imposition, levy or collection of any other tax imposed by the borough or any ordinance or resolution which may under even date herewith or may hereinafter be passed by or approved by the borough council shall not be affected or impaired or otherwise contradicted or diminished by anything contained in this Article.

ORDAINED AND ENACTED this 13th day of March, 2006.

BOROUGH OF SEVEN FIELDS

/s/ Thomas B. Smith
Borough Manager

/s/ William Detwiler
Council President

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ORDAINED AND ENACTED this 14th day of November, 2005.

BOROUGH OF SEVEN FIELDS

/s/ Thomas B. Smith
Thomas B. Smith, Borough Manager

/s/ Jack Maurer
Jack Maurer, Council President

Reviewed and approved by me this 14th day of November, 2005.

/s/ Bruce Daubner
Bruce Daubner, Mayor

(SEAL)