

**Proposed Resolution/Ordinance Implementing Act  
192 of 2004 Concerning Collection of Earned Income Taxes**

A RESOLUTION/ORDINANCE OF INDIAN LAKE BOROUGH, DESIGNATING PENNSYLVANIA MUNICIPAL SERVICE COMPANY AS THE COLLECTOR FOR DELINQUENT (2011 Tax Year and Prior) EARNED INCOME TAXES AND IMPOSING ON DELINQUENT TAXPAYERS THE OBLIGATION TO PAY REASONABLE COSTS INCURRED BY THE DELINQUENT TAX COLLECTOR FOR COLLECTION OF DELINQUENT TAXES, PENALTIES AND INTEREST.

WHEREAS, Pennsylvania Municipal Service Company has been designated as the collector of Delinquent (2011 Tax Year and Prior) Earned Income Taxes; and

AND WHEREAS, the Pennsylvania legislature recently adopted Act 192 of 2004 (hereinafter "Act 192") amending the Local Tax Enabling Act 53 P.S. §6901, et. seq., to allow entities permitted to impose and collect taxes to impose "reasonable costs" on delinquent taxpayers and to permit the delinquent tax collector to retain such reasonable costs; and

AND WHEREAS, the Borough of Indian Lake (Taxing District) desires to exercise all of its legal authority in accordance with legislative pronouncements set forth in the Local Tax Enabling Act and, specifically, in Act 192 of 2004, to encourage and facilitate the collection of delinquent taxes and to eliminate the expense associated with collections by imposing reasonable costs on the delinquent taxpayer.

NOW, therefore, be it ordained and enacted as follows:

FIRST: The Taxing District designates Pennsylvania Municipal Service Company as its exclusive agent for purposes of collecting Delinquent (2011 Tax Year and Prior) Earned Income Taxes as well as any and all penalties, interest and costs assessed and levied pursuant to all resolution and/or ordinances respecting said taxes, during the period of this agreement.

SECOND: The Taxing District hereby designates and authorizes Pennsylvania Municipal Service Company by and through its legal counsel to appear before any district justice or any other appropriate court on behalf of the Taxing District in those cases in which Pennsylvania Municipal Service Company determines legal action would be appropriate means of collecting the delinquent Earned Income Taxes and any penalties, interest, costs and Reasonable Costs due and owing.

THIRD: Because (1) Pennsylvania legislature adopted Act 192 of 2004 (hereinafter "Act 192") amending the Local Tax Enabling Act, 53 P.S. § 6901, *et seq.*, to allow a Taxing District to approve reasonable costs ("Reasonable Costs") which may be imposed on the delinquent taxpayer, collected and retained by the delinquent tax collector; and, (2), the Taxing District desires to exercise all of its legal authority in accordance with the legislative pronouncements set forth in the Local Tax Enabling Act and in Act 192 of 2004 to encourage the collection of delinquent taxes and to eliminate the expense associated with such collections by imposing the Reasonable Costs on the delinquent taxpayer;

The Taxing District and Pennsylvania Municipal Service Company agree as follows:

1. The Taxing District designates Pennsylvania Municipal Service Company as its exclusive agent for purposes of collecting Delinquent (2011 Tax Year and Prior) Earned Income Taxes including all penalties, interest, costs, Reasonable Costs, attorney fees, etc. assessed and levied pursuant to the

District's resolutions and/or ordinances.

2. In addition to the compensation payable to Pennsylvania Municipal Service Company from the Taxing District the Taxing District set forth approves the following Reasonable Costs to be paid to Pennsylvania Municipal Service Company by the delinquent taxpayer:

- (a) A sum of (10%) of gross collections of all delinquent Earned Income Taxes plus delinquent costs prior to the initiation of enforced collection proceedings before the District Magistrate or other court and the amount of (25%) of gross collections on or after the initiation of enforced collection proceedings before the District Justice or any other court. Said amount shall be deemed compensation and Reasonable Costs for services rendered by Pennsylvania Municipal Service Company in the collection of delinquent Earned Income Taxes.
- (b) For purposes of this provision the term "gross collections" shall mean the original tax plus applicable penalties and interest.
- (c) In addition to the amounts set forth in paragraphs 2(a) and 2(b), any attorney's fees related to collection of delinquent taxes, interest, penalty or other charges shall be paid by the delinquent taxpayer as part of the "Reasonable Costs" to be paid to Pennsylvania Municipal Service Company by the delinquent taxpayer.
- (d) Such Reasonable Costs, together with and including costs, reimbursement for postage and other out-of-pocket expenses, shall be collected directly from the delinquent taxpayers in accordance with Act 192 of 2004 and all other applicable laws.

Ordained and enacted this 14<sup>th</sup> day of December, 2011.

ATTEST:

*Anna L. Meyer*

Indian Lake Borough

Borough Secretary