

ARTICLE III
Business Privilege Tax
[Adopted 12-30-1976 by Ord. No. 1675]

§ 325-31. Title.

This article shall be known and may be cited as the "Business Privilege Tax Ordinance."

§ 325-32. 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:

GROSS RECEIPTS — Includes both cash and credit transactions and shall include payment received for gross charges made by the taxpayer for services rendered, including both labor and any materials entering into or becoming component parts of the services performed.

PERSON — Any individual, partnership, limited partnership, association or corporation, but shall not include a wage earner, a nonprofit corporation organized for religious, charitable or educational purposes, an association for such purposes, any agency of the Government of the United States or of the Commonwealth of Pennsylvania or any public utility.

PRIVILEGE YEAR — The calendar year.

SERVICE — Any act or instance of helping or benefiting another for a consideration.

TAX RECEIVER — The person or agency designated by the Borough Council for the collection of this tax.

TEMPORARY, SEASONAL OR ITINERANT BUSINESS — Any business that is conducted at one location for less than 60 consecutive days.

§ 325-33. Authority to levy and collect tax.

The Borough of Hanover hereby imposes a business privilege tax for the license year 1977 in the manner and at the rate hereinafter set forth. Except as hereinafter provided, such tax shall be in addition to any other tax levied and collected under any existing ordinance. This article is enacted under the authority of the Local Tax Enabling Act of 1965, approved December 31, 1965 (P.L. 1257), as amended.¹

§ 325-34. Imposition and rate of tax. [Amended 12-18-1985 by Ord. No. 1812]

- A. Every person engaging in a business, trade, occupation or profession hereinafter listed in the Borough of Hanover and maintaining a place, office or establishment within the Borough of Hanover for the conduct of said business, trade, occupation

1. Editor's Note: See 53 P.S. § 6901 et seq. and 53 P.S. § 6924.101 et seq.

or profession shall pay a business privilege tax at the rate of two mills on his gross receipts derived from all services rendered to clients, patients and customers.

- B. Every person engaging in a business, trade, occupation or profession hereinafter listed in the Borough of Hanover and maintaining no place, office or establishment within the Borough of Hanover for the conduct of said business, trade, occupation or profession shall pay a business privilege tax at the rate of two mills on his gross receipts derived from all services rendered within the Borough of Hanover to clients, patients and customers.
- C. The businesses, trades, occupations and professions above referred to are as follows: printers; lithographers, processors; laundry operators; launderette operators; warehousemen; upholsterers; doctors; lawyers; dentists; engineers; architects; chemists; chiropractors; chiropodists; certified public accountants; public accountants; real estate brokers; cleaning, pressing and dyeing establishment operators; shoe repair shop operators; tailors; dressmakers; electrical, plastering, bricklaying, carpentry, heating, ventilating, plumbing and painting contractors; repairers of electrical, electronic or 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 service or services to the general public or a limited number thereof.

§ 325-35. Determination of gross receipts.

- A. Every person subject to the payment of the tax hereby imposed, who has commenced his business at least one full year prior to the beginning of the license year, shall determine his gross receipts for the license year from his actual gross receipts for the preceding calendar year. However, for the license year 1977 the gross receipts shall be computed for the eleven-month period immediately preceding the year 1977.
- B. Every person subject to the payment of the tax hereby imposed, who has commenced his business less than one full year prior to the beginning of the license year, shall determine his gross receipts for the license year by multiplying by 12 (for the license year 1977, multiplying by 11) the monthly average of the actual gross amount of business transacted by him during the months he was engaged in business prior to the be of the license year.
- C. Every person subject to the payment of the tax hereby imposed, who commences his business subsequent to the beginning of the license year, shall determine his gross receipts for the license year by multiplying his actual gross receipts for the first month he engages in business by the number of months remaining in the license year.
- D. Every person subject to the payment of the tax hereby imposed, who engages in a business temporary, seasonal or itinerant in its nature, shall determine his gross receipts for the license year from his actual gross receipts for the license year.

§ 325-36. Registration.

Any person subject to the tax hereby imposed shall, on or before the first day of January prior to commencing business in such license year, register with the Tax Receiver, and having once registered with the Tax Receiver, registration annually thereafter is not required.

§ 325-37. Returns. [Amended 7-27-2016 by Ord. No. 2247]

- A. Every return shall be made upon a form furnished by the Tax Collector. Every person making a return shall certify the correctness thereof by affidavit.
- B. Every person subject to the tax imposed by this article who commenced his business at least 13 full months prior to the beginning of any license year shall, on or before the 15th day of April, file with the Tax Collector a return setting forth his name, his business and business address, and such other information as may be necessary in arriving at the actual gross amount of business transacted by him during the preceding calendar year, and the amount of the tax due.
- C. Every person subject to the tax imposed by this article who has commenced his business less than 13 full months prior to the beginning of any license year shall on or before the 15th day of April, file with the Tax Collector a return setting forth his name, his business and business address, and such other information as may be necessary in arriving at the monthly average of the actual gross amount of business transacted by him during the months in the preceding calendar year he was engaged in business and the amount of the tax due.
- D. Every person subject to the tax imposed by this article who commences business less than one full month prior to the end of the preceding calendar year or prior to the beginning of any license year shall within 40 days from the date of commencing such business file a return with the Tax Collector setting forth his name, his business and business address, and such information as may be necessary in arriving at the actual gross amount of business transacted by him during his first full month of business and the amount of the tax due.
- E. Every person subject to the payment of tax imposed in this article who engages in a business temporary, seasonal or itinerant by its nature, shall within seven days from the day he completes such business file a return with the Tax Collector setting forth his name, the business and business address, and such information as may be necessary in arriving at the actual gross amount of business transacted by him during such period and the amount of tax due.

§ 325-38. Payment.

- A. At the time of filing the first return, the person making the same shall pay the amount of the tax estimated to be due.

- B. At the time of the filing of the final return, if the full amount of the tax due by the taxpayer for the license year has not been paid, the taxpayer shall pay the remaining balance of the tax, which will be the difference between the amount of the tax paid at the time of making the first return on the estimated computation and the amount of the tax finally shown to be due. No payment of less than \$1 shall be required. **[Amended 12-30-1978 by Ord. No. 1700]**

§ 325-39. Refunds. [Amended 12-30-1978 by Ord. No. 1700]

If the taxpayer for the license year shall have paid at the time of filing his estimate an amount in excess of the actual tax due at the end of the license year, the Tax Receiver shall refund to the taxpayer the amount of excess tax paid for such year. If the final return of a taxpayer shows an overpayment of the tax by reason of the fact that the gross volume of business as stated in the estimated computation was less than the actual volume of business for the year or by reason of the fact that the taxpayer did not continue to engage in business throughout the year, the Tax Receiver shall refund to the taxpayer the amount of such overpayment, which shall be the difference between the amount of tax paid upon the filing of the first return and the amount of the tax finally shown to be due. No refund shall be made if the amount is \$1 or less, unless a specific request is submitted.

§ 325-40. Powers and duties of Tax Receiver.

- A. General powers. The Tax Receiver is hereby authorized and directed to make and keep such records, prepare such forms and take such other measures as may be necessary or convenient to carry this article into effect.
- B. Collection; records; receipts. It shall be the duty of the Tax Receiver to collect and receive the fees, taxes, fines and penalties imposed by this article. It shall also be his duty to keep a record showing the amount of the tax received by him and the date of payment. A receipt shall be given to the person paying the tax.
- C. Investigatory and determinative powers. If the Tax Receiver is not satisfied with the return and payment of the tax made by any taxpayer or supposed taxpayer under the provisions of this article, he is hereby authorized and empowered to make a determination of the tax due by such person, based upon the facts contained in the return or upon any information within his possession or that shall come into his possession. For this purpose the Tax Receiver, his deputy or his authorized agent is authorized to examine the books, papers and records of any such person to verify the accuracy of any return or payment made under the provisions thereof, to ascertain whether the taxes imposed by this article have been paid. If any taxpayer or supposed taxpayer shall neglect or refuse to make any return and payment of tax required by this article or if as a result of an investigation by the Tax Receiver a return is found to be incorrect, the Tax Receiver shall estimate the tax due by such person and determine the amount due by him for taxes, penalties and interest thereon.

D. Deposits. The Tax Receiver may, in his discretion, require reasonable deposits to be made by taxpayers who engage in a business temporary, seasonal or itinerant by its nature.

§ 325-41. Proof of exemptions.

The burden is hereby imposed upon any person claiming an exemption from the payment of the tax hereby imposed to convince the Tax Receiver of his legal right to such exemption.

§ 325-42. Recovery of unpaid taxes.

All taxes due and unpaid under this article shall be recoverable by the Borough as other debts due the Borough are now by law recoverable.

§ 325-43. Interest; penalty amount.

All taxes due under this article shall bear interest at the rate of 6% per annum 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 required by this article, an additional 10% of the amount of the tax shall be added by the Tax Receiver and collected.

§ 325-44. Disposition of collections.

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

§ 325-45. Returns for year 1977.

For the year 1977, returns as enumerated hereinbefore shall be filed and the tax paid no later than September 30, 1977. Said returns and tax shall be based on an eleven-month period from February 1 to December 31, inclusive.

§ 325-46. When effective; duration.

This article shall be effective immediately after the passage and advertisement subject to the time limitations of the Local Tax Enabling Act.² The tax imposed by this article shall continue in force on a calendar-year basis without annual reenactment, unless the rate of the tax is subsequently changed.

§ 325-47. Violations and penalties.

Any person who shall violate any of the provisions of this article shall, for each violation, be subject to a fine of not less than \$10 and not more than \$500, and costs, and upon

2. Editor's Note: See 53 P.S. § 6901 et seq. and 53 P.S. § 6924.101 et seq.

failure to pay said fine and costs, said person shall be subject to imprisonment for not more than 30 days after a hearing before a Magistrate of the Borough of Hanover.

§ 325-48. Confidentiality of returns.

Any information gained by the Tax Receiver or any other officer, official agent or employee of the Borough as a result of any returns, investigations, hearings or verifications, required or authorized by this article, shall be confidential except in accordance with proper judicial order or as otherwise provided by law; and divulgence of any information so gained is hereby declared to be a violation of this article, which may be punishable by dismissal from office or employment.