RESOLUTION NO. 2612

EAST NORRITON TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA

WHEREAS, the East Norriton Township Board of Supervisors has adopted Ordinance No. 547 entitled "The Local Taxpayers Bill of Rights" to be effective on July 23rd, 2013; and

WHEREAS, Ordinance No. 547 required the Board of Supervisors to establish regulations by Resolution to implement The Local Taxpayers Bill of Rights.

NOW, THEREFORE, BE IT RESOLVED, that the following regulations are hereby adopted pursuant to Ordinance No. 547:

LOCAL TAXPAYERS BILL OF RIGHTS

I. RIGHTS OF A TAXPAYER AND THE OBLIGATION OF THE TOWNSHIP DURING AN AUDIT OR AN ADMINISTRATIVE REVIEW OF THE TAXPAYER'S BOOKS OR RECORDS.

A. Taxpayer Response.

1. Thirty Days to Respond. If the Township requests information, the taxpayer has thirty (30) days from the mailing date of the Township's request to respond.

2. Extensions. The Township may grant reasonable extensions to respond upon application in writing for good cause. The taxpayer's written request for an extension should be received by the Finance Director within the first thirty (30) day period.

3. No Township Action Within Response Period. The Township will not take action against the taxpayer for a tax year in question until the end of the response period, including extensions.

B. Tax Years in Question.

1. The Township's initial request is limited to taxes required to be paid or tax returns required to be filed no more than three (3) years prior to the mailing date of the notice.

2. If the Township determines that a taxpayer has failed to file a tax return, underreported income, or failed to pay a tax for one (1) or more of the tax periods covered by the initial request, the Township may make a subsequent request for a tax return or other supporting information.

3. If a taxpayer has failed to file a required return or pay a tax which was due more than three (3) years prior to the date of a notice, then the three (3) year period will not apply. In that event, the Township may make a request for tax returns or other supporting information up to five (5) years prior to the mailing date of the notice, and may assess a tax for tax periods more than five (5) years prior to the date of the notice in accordance with the Local Tax Enabling Act, 53 P.S. § 6924.319.

C. Use of Federal Tax Information. The Township may require the taxpayer to provide copies of the taxpayer's federal income tax return if the federal tax information is reasonably necessary for the enforcement or collection of Township taxes and the information is not available from other available sources or the Pennsylvania Department of Revenue.

D. Notice of Basis of Underpayment. The Township will notify the taxpayer in writing of the basis for any underpayment that the Township has determined to exist, including:

1. The tax period or periods for which the underpayment is asserted.

2. The amount of the underpayment detailed by tax period.

3. The legal basis upon which the Township has relied to determine that an underpayment exists.

4. An itemization of any revisions made by the Township to a return or report filed by the taxpayer that result in the determination of an underpayment.

E. Abatement of Certain Interest and Penalty.

1. Errors and Delays. The Township may abate all or any part of interest for any period if the underpayment was caused by any error or delay by the Township, provided no significant aspect of the error or delay can be attributed to the taxpayer.

2. Abatement Due to Erroneous Written Advice By The Township.

a. The Township will abate any portion of any penalty or excess interest attributable to erroneous written advice furnished to the taxpayer by the Township if the written advice was reasonably relied upon by the taxpayer, was in response to a specific written request by the taxpayer, and the portion of penalty or additional tax or excess interest did not result from a failure by the taxpayer to provide adequate or accurate information.

b. The taxpayer should not rely on advice given which is not in writing and in response to a specific written request. The Township is not required to provide written advice to taxpayers.

F. Application of Payments. Unless specified by the taxpayer, all voluntary payments of taxes shall be prioritized and applied, in the following order: to the tax, the interest, the penalty and any other fees and charges.

G. Books and Records.

1. Books, journals, invoices, documents and other accounting records utilized by the taxpayer in the ordinary course of business must be kept in a manner which will reflect actual business operations. There must be objective criteria in these books and records, as well as in underlying documents, such as invoices, to support the returns filed by the taxpayer. A taxpayer claiming exemptions or exclusions for any portion of gross receipts must maintain complete records which will support the validity of the claim. Such claims will be disallowed if not sufficiently proven by the taxpayer.

2. If records are not available for the entire period requested for review, the Township may utilize whatever information or records are available to reconstruct, as accurately as possible, figures that reflect the business activity of the taxpayer for the period involved.

3. If records are not available to support the returns which were filed or which should have been filed, the taxpayer will be required to make them available to the Township at the cost of the taxpayer.

H. Inspection and Examination. The Township Finance Director, or the designated representative of the Finance Director, is authorized to examine the books and records of any taxpayer in order to verify the accuracy of any return made, or if no return was made, to ascertain whether the tax should be imposed and, if so, the amount of the tax due.

I. Audits. The Township Finance Director has the right to have a designated representative of the Township audit any tax return and to verify its accuracy or assess its efficiency, together with penalty and interest, upon the completion of that review.

J. Installment Agreements. The Township may enter into a written agreement with any taxpayer under which the taxpayer is allowed to satisfy a tax liability in installment payments, if the Township determines that the agreement will facilitate collection. An installment agreement may be modified or terminated if the taxpayer provided inaccurate or incomplete information; if the collection of the tax is in jeopardy; if there is a significant change In the taxpayer's financial condition, provided that proper notice is given in accordance with The Local Taxpayers Bill of Rights, 53 Pa.S.C.A. 8421-8438; or if the taxpayer fails to provide a financial condition update, fails to pay any other tax liability at the time the liability is due, or fails to pay an installment when due pursuant to such agreement.

K. Confidentiality of Tax Information. Any information gained by the Township as a result of any audit, return, report, investigation, hearing or verification shall be confidential tax information except as otherwise provided by law.

L. Taxes on Real Property. Except for the provisions pertaining to interest on overpayments, the contents of this Taxpayers Bill of Rights shall not apply to any tax on real property.

II. ADMINISTRATIVE AND JUDICIAL PROCEDURES BY WHICH A TAXPAYER MAY APPEAL OR SEEK REVIEW OF ANY ADVERSE DECISION OF THE TOWNSHIP.

A. Administrative Appeals. The administrative process shall consist of the following:

1. Petition. A petition is timely filed if the letter transmitting the petition is postmarked by the United States Postal Service on or before the final day on which the petition is required to be filed. Petitions not timely filed shall be denied by the Township.

a. Refund petitions shall be filed within three (3) years after the due date for filing the tax return, as extended, or one (1) year after actual payment of the tax, whichever is later.

b. Petitions for reassessment of a Township tax shall be filed within ninety (90) days of the date of the assessment notice or notice of underpayment.

2. Contents of Petition. The petition shall be in the form attached hereto and shall include the name, address and federal taxpayer employer identification number or social security number of the petitioner; shall provide in detail the nature of the taxpayer's claim and the taxpayer's accounting and legal basis for the claim.

3. Township Board of Supervisors Review. The Township Board of Supervisors shall review the petition in executive session.

4. Written Decision by Township Board of Supervisors. The Township Board of Supervisors shall issue a written decision within sixty (60) days of the date a complete and accurate petition is received. The decision of the Board of Supervisors shall be timely made if notice of the decision is mailed to the taxpayer, postmarked no later than sixty (60) days after the date of actual receipt of the complete and accurate petition by the Township. Failure by the Township to act within the sixty (60) days shall result in the petition being deemed approved.

5. Applicable Law. Decisions by the Board of Supervisors may be made according to principles of Pennsylvania law and equity.

B. Judicial Appeal. Any person aggrieved by a final decision of the Board of Supervisors may, within thirty (30) days after notice of such decision, appeal the decision to the Court of Common Pleas of Montgomery County, Pennsylvania. No

administrative process or judicial appeal will operate to suspend the accrual of penalty and interest from the date the tax was due to the date it is actually paid.

III. PROCEDURE FOR FILING AND PROCESSING REFUND CLAIMS AND TAXPAYER COMPLAINTS.

A. Refund for Overpayment. A taxpayer may file a written request with the Finance Director for a refund or credit of any Township tax subject to Ordinance No. 547 within three (3) years of the due date for the tax return, as extended, or one (1) year after actual payment of the tax, whichever is later. For amounts paid as a result of a notice of asserting or informing a taxpayer of an underpayment, a written request for refund shall be filed with the Township Finance Director within one (1) year of the date of the payment.

B. Interest on Overpayment. All overpayments of tax paid to the Township shall bear simple interest from the date of overpayment until the date of resolution at the same interest rate as the Commonwealth of Pennsylvania is required to pay pursuant to the Pennsylvania Fiscal Code, except:

1. No interest shall be paid if an overpayment is refunded or applied against any other Township tax, interest or penalty due within seventy-five (75) days after the due date of a tax return or within seventy-five (75) days after the actual filing of the tax return, whichever is later, and no interest shall be paid on overpayments of interest or penalty. Acceptance of a refund check by a taxpayer shall not prejudice the taxpayer from claiming any additional overpayment and interest thereon. Tender of a refund check by the Township shall be deemed to be acceptance of the check by the taxpayer for purposes of this section. The definitions of "date of overpayment" and "date of resolution" shall be in accordance with Pennsylvania Act 50-1998, 53 Pa.C.S.A. 8421-8438.

C. Taxpayer Complaint. All taxpayer complaints shall be directed to the Township Finance Director.

IV. ENFORCEMENT PROCEDURES.

A. Legal Action for Recovery of Unpaid Taxes, Penalty and Interest. The Township may bring legal action to seek compliance with Township ordinances, including but not limited to audit compliance and to recover taxes, penalty and interest due as follows:

1. Criminal Citation. The filing of a criminal citation in the District Court having jurisdiction for violation of the Township's tax ordinances. Violations of the tax ordinances, except the Realty Transfer Tax Ordinance, may result in the imposition of fines of up to $600.00 per day.

2. Municipal Lien. The filing of a municipal lien for the amount of tax due together with any interest and penalties.

3. Civil Complaint. The filing of a civil complaint in the Court of Common Pleas of Montgomery County for all past and current taxes due plus penalties and interest.

4. Fees and Costs. In all legal actions, the Township will request court costs and attorney and accountant fees.

V. NOTIFICATION PROCEDURE.

The Township shall notify any taxpayer contacted regarding the assessment, audit, determination, review or collection of an eligible tax (as defined in The Local Taxpayers Bill of Rights, 53 Pa.C.S.A. 8421-8438) of the availability of this Resolution No. 2612 and shall make copies of this Resolution No. 2612 available to taxpayers upon request at no charge to the taxpayer, including mailing costs. Such notification shall include the following statement:

> You are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund and collection of local taxes by calling East Norriton Township at (610) 275-2800 during normal business hours, 8:00 a.m. to 4:00 p.m., Monday to Friday.

DULY PRESENTED AND ADOPTED by the Board of Supervisors of East Norriton Township, Montgomery County, Pennsylvania, in a public meeting held this 23rd day of July, 2013.

BOARD OF SUPERVISORS
EAST NORRITON TOWNSHIP

By: _____
Chairman

TOWNSHIP OF EAST NORRITON MONTGOMERY COUNTY PA INCORPORATE MARCH 9, 1909 PENNSYLVANIA

Attest: _____
Secretary