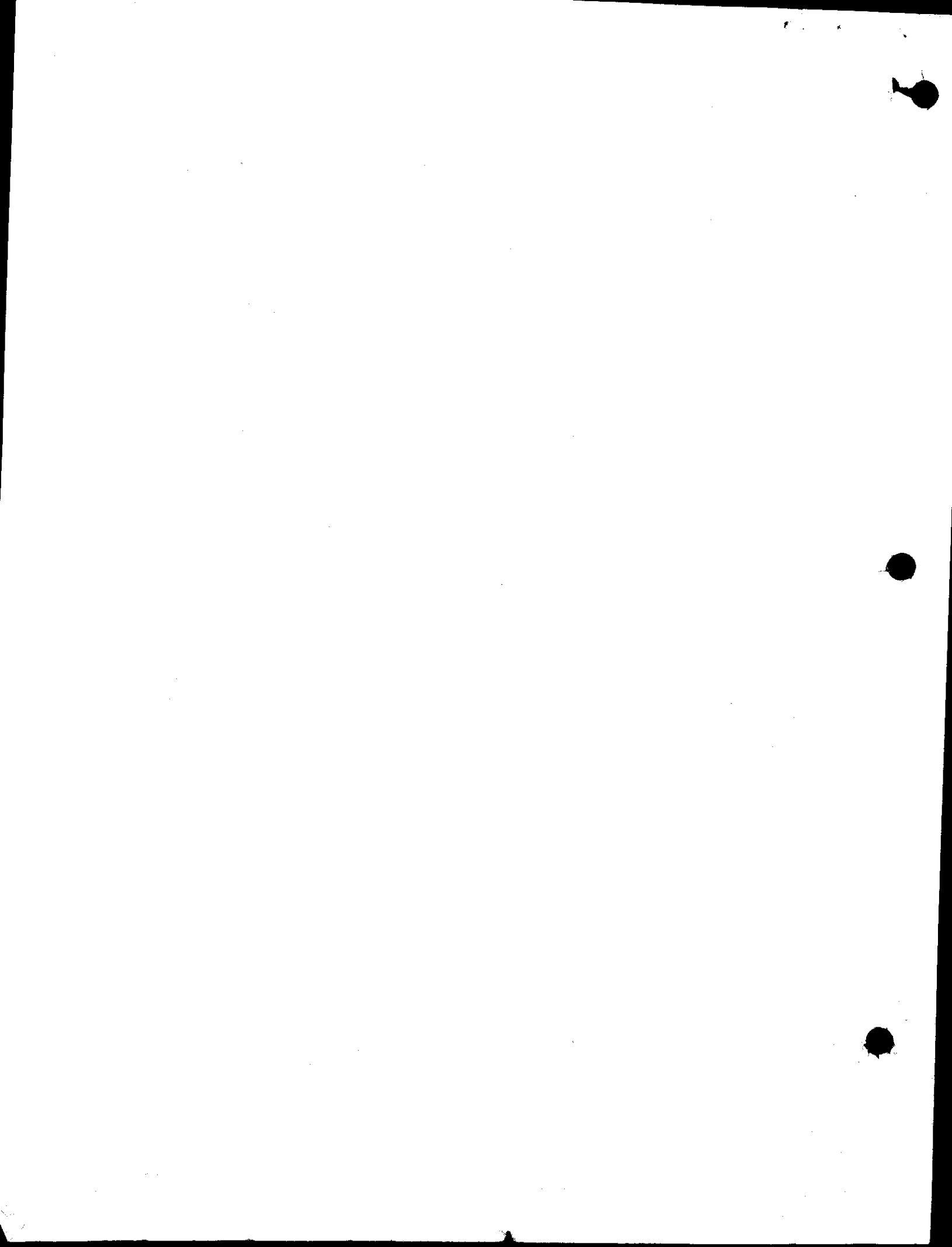


AN ORDINANCE ENACTED PURSUANT TO THE AUTHORITY GRANTED BY ACT NO. 511 OF 1965 EFFECTIVE JANUARY 1, 1966 (KNOWN AS THE LOCAL TAX ENABLING ACT, AS AMENDED) SAID ORDINANCE TO BE KNOWN AS THE EARNED INCOME ORDINANCE, IMPOSING A TAX FOR GENERAL REVENUE PURPOSES ON SALARIES, WAGES, COMMISSION, BONUSES, INCENTIVE PAYMENTS, FEES, TIPS AND OTHER COMPENSATIONS RECEIVED DURING THE YEAR BEGINNING JANUARY 1, 1973 AND CONTINUING FOR EACH TAXABLE YEAR THEREAFTER BY RESIDENTS OF THE TOWNSHIP OF WEST CALN, CHESTER COUNTY, PENNSYLVANIA, AND ON SALARIES, WAGES, COMMISSIONS, BONUSES, INCENTIVE PAYMENTS, FEES, TIPS, AND OTHER COMPENSATIONS RECEIVED DURING SAID PERIOD BY NON-RESIDENTS OF THE TOWNSHIP OF WEST CALN FOR WORK DONE OR SERVICES PERFORMED OR RENDERED IN THE TOWNSHIP OF WEST CALN AND ON THE NET PROFITS RECEIVED DURING SAID PERIOD FROM BUSINESSES, PROFESSIONS OR OTHER ACTIVITIES CONDUCTED BY RESIDENTS OF THE TOWNSHIP OF WEST CALN AND THE NET PROFITS RECEIVED DURING SAID PERIOD FROM BUSINESSES, PROFESSIONS, OR OTHER ACTIVITIES CONDUCTED IN THE TOWNSHIP OF WEST CALN, BY NON-RESIDENTS, REQUIRING THE FILING OF DECLARATIONS AND RETURNS AND THE GIVING OF INFORMATION BY EMPLOYERS AND BY THOSE SUBJECT TO THE TAX, IMPOSING ON EMPLOYERS THE DUTY OF COLLECTING THE TAX AT SOURCE, PROVIDING FOR THE ADMINISTRATION AND ENFORCEMENT OF THE ORDINANCE, AND IMPOSING PENALTIES, FOR THE VIOLATION THEREOF.

BE IT ORDAINED by the Supervisors of the Township of West Caln, Chester County, Pennsylvania, under authority of the Local Tax Enabling Act approved December 31, 1965, P. L. #511, (hereinafter referred to as the "Enabling Act", as amended) as follows:

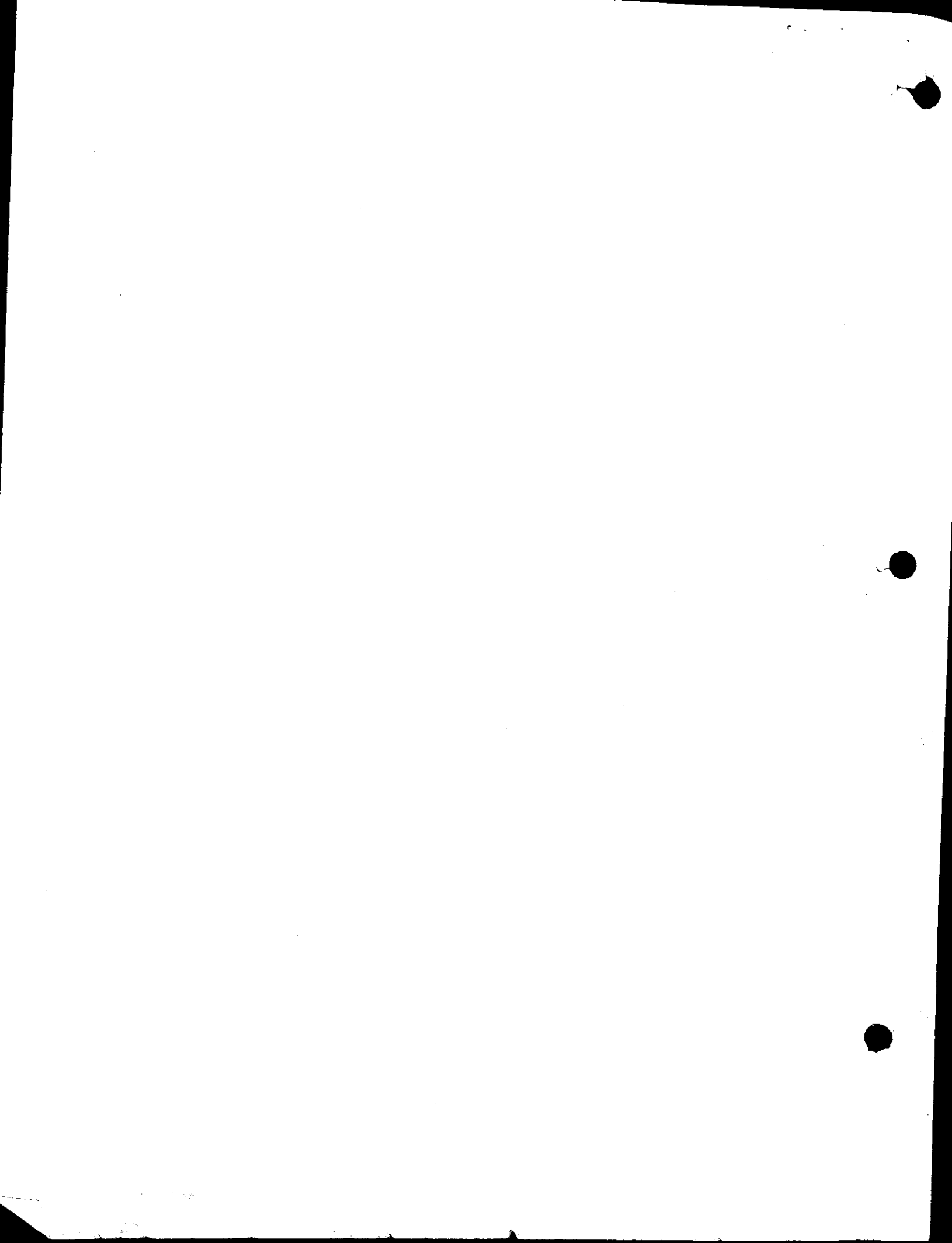


SECTION I - INCORPORATION OF STATUTE AND REGULATIONS

The provisions of Section 13 of the Local Tax Enabling Act (Act #511 of 1965), its supplements and amendments are incorporated herein by reference, except that where options are provided in said Section 13, this Ordinance designates the option selected, and except as and where hereinafter specifically provided otherwise. Also incorporated by reference are the Tax Regulations of the Income Tax Officer.

SECTION II - IMPOSITION OF TAX

A tax for general revenue purposes in the amount of one percent (1%) is hereby imposed on earned income, including inter alia, salaries, wages, commissions, bonuses, incentive payments, fees, tips and other compensation received by residents of the Township of West Caln, Chester County, Pennsylvania, on earned income, including inter alia, salaries, wages, commissions, bonuses, incentive payments, fees, tips, and other compensation received by non-residents of the Township of West Caln, Chester County, Pennsylvania, for work done or services performed or rendered in the Township of West Caln, Chester County, Pennsylvania, and on the net profits received from businesses, professions or other activities conducted by residents of the Township of West Caln, Chester County, Pennsylvania, and the net profits received from businesses, professions or other activities conducted in the Township of West Caln, Chester County, Pennsylvania, during the taxable period beginning on the 1st day of January, 1973, and continuing for each taxable year thereafter. The tax shall not apply to wages or compensation paid to persons on active military service, periodic payments for sickness and disability other than regular wages received during a period of sickness, disability or



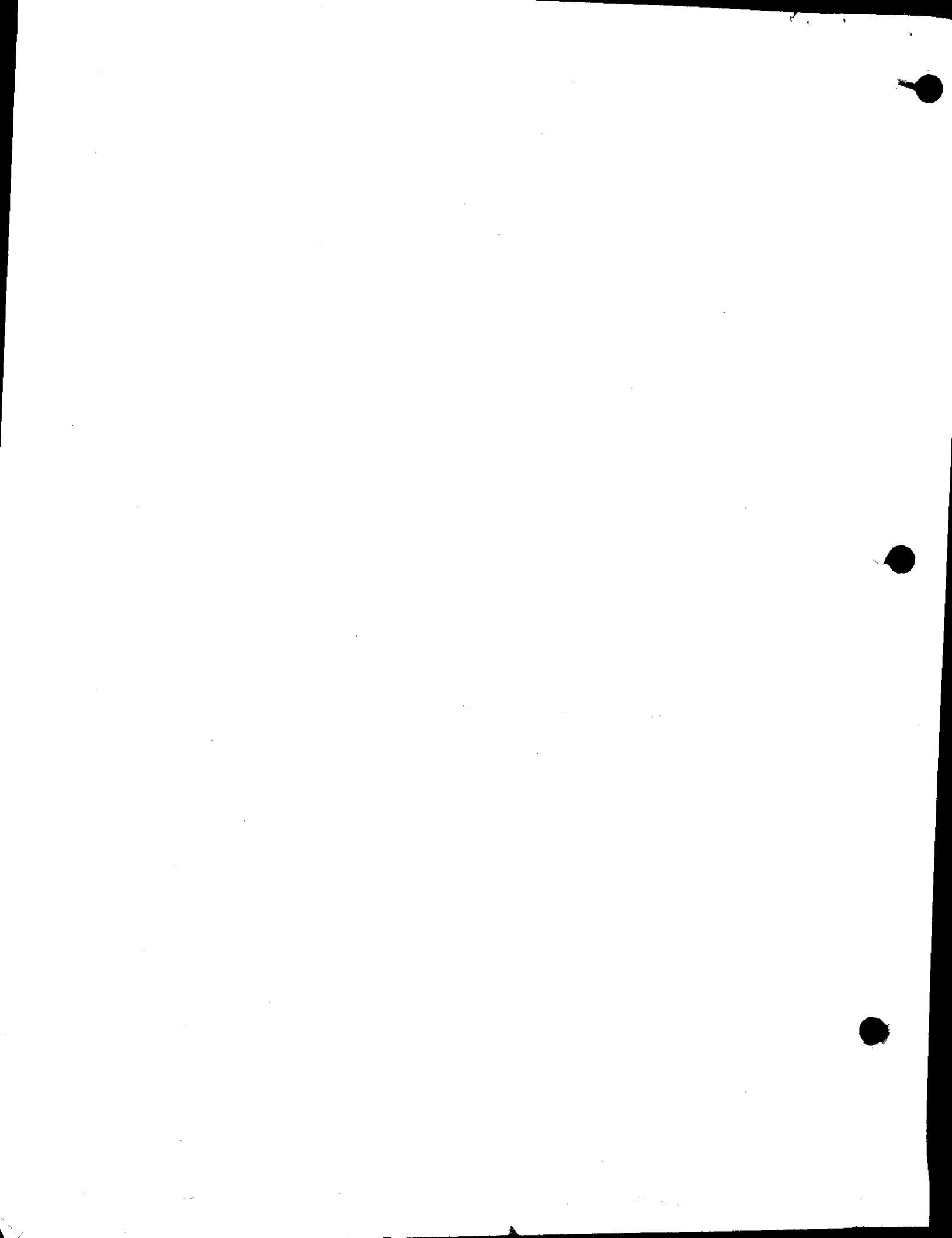
retirement or payments arising under workmen's compensation act, occupational disease acts and similar legislation, or payments commonly recognized as old age benefits, retirement pay or pensions paid to persons retired from service after reaching a specific age or after a stated period of employment or payments commonly known as public assistance, or unemployment compensation payments made by a governmental agency or payments to reimburse expenses or payments made by employers or labor unions for wage and salary supplemental programs, including, but not limited to, programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, strike benefits, social security and retirement shall not be considered as "Wages" under this Ordinance.

SECTION III - DECLARATION, RETURN AND PAYMENT OF TAX

(A) NET PROFITS - Every Taxpayer making net profits in any year beginning with January 1, 1973, shall file a declaration of his estimated net profits for the current year and shall pay the tax due thereon in quarterly installments the first installment to be paid at the time of filing the declaration on April 15th; the second installment on or before June 15th; and third installment on or before September 15th; and the fourth installment on or before January 15th of the following year; and shall file a final return and pay to the officer the balance of the tax due, all as provided in Section 13, 111, A (1), of The Local Tax Enabling Act, its supplements and amendments.

(B) EARNED INCOME

1. FINAL RETURNS - For years commencing January 1, 1973, every taxpayer shall make and file final returns and pay the



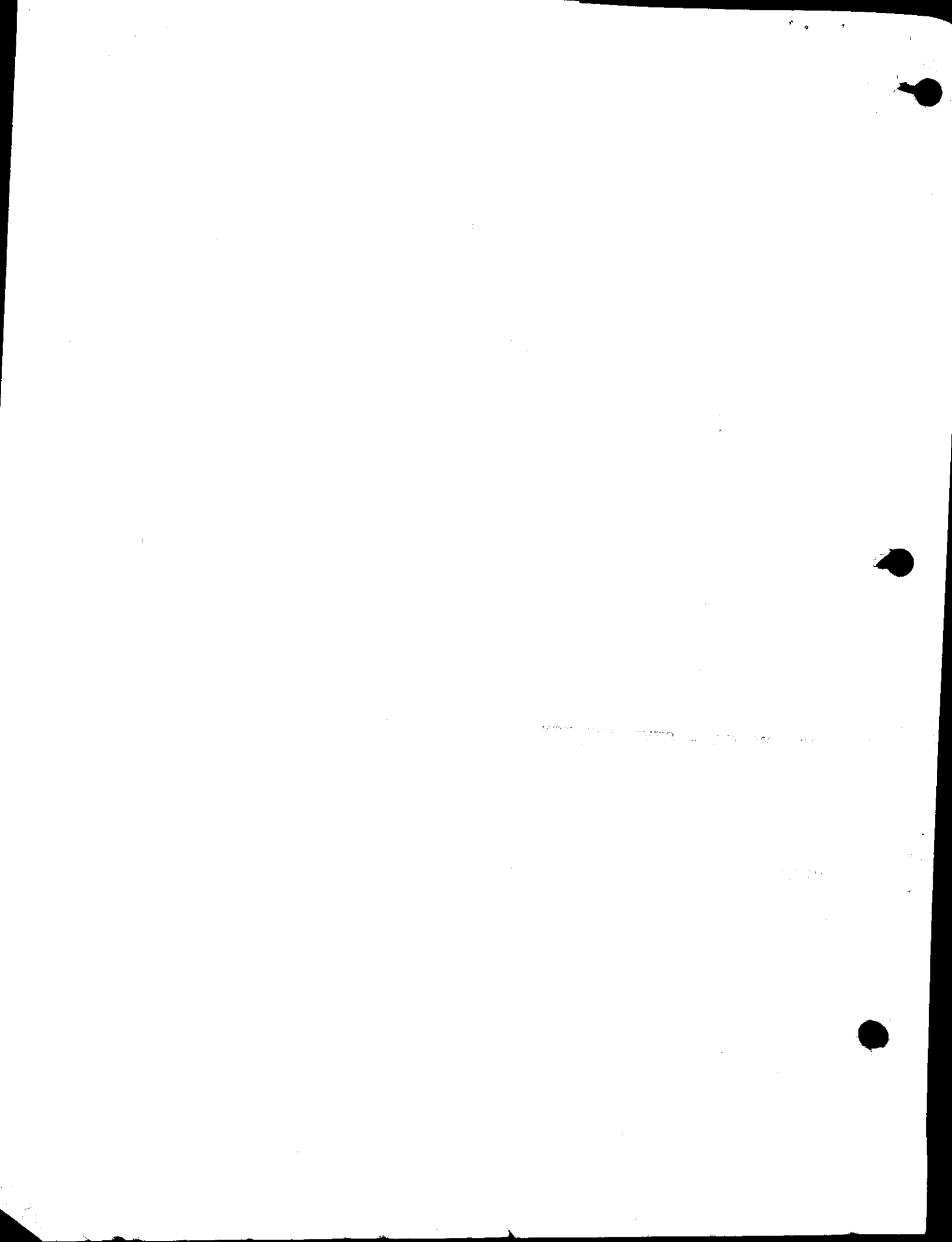
2. QUARTERLY RETURNS - Every taxpayer who is employed for a salary, wage, commission, or other compensation and/or who received any earned income not subject to the provisions relating to collection at source, shall make and file with the officer on a form prescribed or approved by the officer, an annual return setting forth the aggregate amount of earned income not subject to withholding from him during the period beginning January 1, 1973 and ending December 31, 1973 and such other information as the officer may require, and pay to the officer the amount of tax shown as due thereon on or before April 15, 1974. Every such taxpayer shall make and file with the tax officer quarterly returns and shall pay quarter-annually the amount of tax shown as due on such returns, all as provided in Section 13, 111, B (2) of The Local Enabling Act, its supplements and amendments.

SECTION IV - COLLECTION AT SOURCE

(A) Every employer having an office, factory, workshop, branch, warehouse or other place of business within the Township of West Caln, Chester County, Pennsylvania, shall deduct the tax imposed by this Ordinance on the earned income due to his employee or employees and shall file quarterly returns and final returns and pay quarterly, to the officer, the amount of taxes, deducted, all as set forth in Section 13, IV of said The Local Tax Enabling Act, its supplements and amendments, except that

1. Every Employer who discontinues business prior to December 31, 1973, shall within thirty (30) days after discontinuance of business file returns and withholding statements hereinabove required and pay the tax due.

2. No employer shall be required to register, deduct taxes, file returns or pay taxes in the case of domestic servants.



SECTION V - ADMINISTRATION

The income tax officer shall be selected from time to time by Resolution of, and shall receive such compensation for his services and expenses as determined from time to time by the Township of West Caln. Such officer shall have the powers and duties, and be subject to the penalties, provided in "The Local Tax Enabling Act," its supplements and amendments.

SECTION VI - APPLICABILITY

The tax imposed in Section II, of this Ordinance shall not be levied on the net profits of any person, institution, or organization as to whom it is beyond the power of the Township of West Caln to impose said tax under the Constitution of the United States of America or the Constitution and laws of the Commonwealth of Pennsylvania.

SECTION VII - SEVERABILITY

The provisions of this Ordinance are severable. If any part of this Ordinance is declared to be unconstitutional, illegal or invalid, the validity of the remaining provisions shall be unaffected thereby, it is the intention of the Township of West Caln that this Ordinance would have been adopted had such unconstitutional, illegal or invalid part not been included herein.

ENACTED AND ORDAINED the 2nd day of November, 1972.

Betty Ross
Township Secretary

