

SENATOR FOR A DAY MOCK LEGISLATION

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

NO. 4  
Session of 2024

INTRODUCED BY \_\_\_\_\_ October 25, 2024

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REFERRED TO SENATE FINANCE COMMITTEE

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**Sterling Act Reimbursement**

The Sterling Act was enacted in 1932 to assist Philadelphia following the depression. The city imposes a City Wage Tax on salaries paid to employees working for a Philadelphia employer. All Philadelphia residents owe the City Wage Tax regardless of where they work. Non-residents who work in Philadelphia must also pay the Wage Tax. As a result of this disparity, many surrounding suburban areas including Bucks County lose significant tax revenue to support their police, fire, EMS, and schools from their residents who work in Philadelphia.

This bill amends the Sterling Act to require Philadelphia to reimburse communities that impose an earned income tax at a rate equivalent to that which would have been collected from residents of their respective areas.