

Table 15

Taxation					
Corporate Income Tax/Franchise Tax		State		Local	
Rate (range)		Flat		9.99%	
				None	
Formula (e.g. Sales, Property & Payroll)		$\frac{[(PA \text{ Property/Total Property}) + (PA \text{ Payroll/Total Payroll}) + (PA \text{ Sales/Total Sales})]}{3}$ <p>Corporations whose business is transacted both within and outside Pennsylvania are permitted to choose between a single "exempt assets" factor and a three-factor apportionment formula to determine the portion of capital stock value attributable to Pennsylvania and thus subject to commonwealth taxation. (Corporations whose entire business is transacted within the commonwealth may use the exempt assets factor to exclude nontaxable assets.) The exempt assets factor is based on the ratio of book value of taxable assets to book value of total assets.</p>			
Federal Taxes Deductible		Federal net operating, loss deduction, foreign dividend gross-up, and net interest income and gains on U. S. government securities.			
Accelerated Depreciation Permitted (Yes or No)			No		
Personal Income Tax		State		Local	
Rate (range)					
Earned Income		3.07%		varies by municipality	
Unearned Income (e.g. Dividend)		3.07%		varies by municipality	
Local Occupational Tax (Paid by Employee)			Rate		Basis
City Residents		Emergency & Municipal Serv. Tax		\$52/yr	
Non-city Residents				N/A	
Local Wage Tax (Paid by Employer)			Rate		Basis
City Residents				N/A	
Non-city Residents				N/A	
Gross Receipts Tax Rate by Type of Business					
A) Telephone & Telegraph				50 mills	
B) Electric Power				60.2 mills	
C) Passanger, baggage and freight transporters				50 mills	
D) Slack water navigation				51.2 mills	
Sales/Use Tax Rate					
State (Exempt items include food and clothing)				6%	
Local				N/A	
Total				6%	
Sales Tax Rate by Utility:					
Electric Power				60.2 mills	
Natural Gas				6% sales tax	
Fuel Oil				\$0.053/gal on aviation gasoline; \$0.02/gal on jet fuel; \$0.312/gal on gasoline or \$0.381 on diesel fuel and kerosene	
Water				exempt	
Sewer				exempt	
Hazardous Waste Disposal				exempt	
Telephone					
Local				50 mills	
Long Distance in State				50 mills	
Long Distance Out of State				6% sales tax	
Machinery & Equipent Subject to Sales/Use Tax					
Production				No	
Non-Production				Yes	
Pollution Control				No	
Office Furniture/Fixtures/Equipment				Yes	

Sales/Use Tax (Yes or No) on:							
Office Building Construction Materials	Yes						
Industrial Building Construction Materials	Yes						
Manufacturers' Raw Materials	No						
Standard Software	Yes						
Custom Software	Yes						
Intangible Property							
Describe What is Subject to Tax Rate (e.g. Accounts Receivable, Capital Stock)	Net profits, net gains or losses from disposition of property, net gains or income from rents, royalties, patents and copyrights, dividends, interest, gambling and lottery winnings (except PA Lottery winnings won on or after July 21, 1983, and net gains of income derived through estates or trusts.						
Basis & Rate	3.07%						
Stock Bond Transaction Fee (Yes or No & if Yes, Rate)	No						
Real Property Tax Rates for Jurisdictions Featuring							
	A	B	C	D	E	F	G
Major Employment Center	Bald Eagle Area	Bellefonte Area	Keystone Central	Penns Valley Area	Philipsburg-Osceola Area	State College Area	Tyrone Area
School Millage	39.76	41.08	36.12	37.87	49.038	33.722	21.06
County Millage	6.59	6.59	6.59	6.59	6.59	6.59	6.59
In addition to county homeowners paying the school millage to their resident school district and county taxes referenced above, most of our 35 municipalities assess an earned-income tax of 0.5 percent plus 0.5 percent to 2.05 percent for the school district. Additional real estate taxes range from 0.97 mills in Curtin Townshp to 10.54 miles in State College Borough. The Commonwealth of Pennsylvania charges a 1 percent realty transfer tax (collected from the purchaser), and most municipalities charge another 1 percent (collected from the seller), the proceeds of which are shared between the school district and municipality.							
Assessment Ratio (%)	50%	50%	50%	50%	50%	50%	50%
Effective Rate per \$100	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Personal Propety Tax Rates per \$100							
	A	B	C	D	E	F	G
City Millage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
County Millage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School Millage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special District Millage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Assessment Ratio (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effective Rate per \$100	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Freeport Legislation				State Property Tax Effective Rate per \$100			
Applicable to Warehousing	N/A	Real Property					N/A
Applicable to Manufacturing	N/A	Personal Property (machinery/equipment)					N/A
Goods Stored in a Public Warehouse	N/A	Property Tax after Core Income Tax and State Excise Tax					
Office Furniture-Fixtures				Producton Machinery & Equipment			N/A
Computer Equipment	N/A	Non Production Machinery & Equipmetn					N/A
Workstations	N/A	Pollution Control					N/A
Telephones	N/A	Inventory					
Furniture	N/A	Raw Materials					N/A
Company Vehicles	N/A	Work in Progress					N/A
Standard Software	N/A	Finished Goods					N/A
Custom Software	N/A						