



Act 511 Taxes for Pennsylvania School Districts Glossary of Terms

Act 511 of 1965

Grants school districts the power to levy certain taxes with maximum rates set by the General Assembly; also known as the Local Tax Enabling Act.

Act 511 Taxes (Flat)

All taxes levied on a flat rate basis in accordance with Act 511 of 1965.

Act 511 Taxes (Proportional)

All taxes levied on a proportional basis in accordance with Act 511 of 1965.

Amusement Tax

A proportional tax levied on admission prices to places of amusement, entertainment or recreation.

Business Gross Receipts Tax

The collective name for mercantile and business privilege taxes (which are essentially the same tax), levied on the privilege of doing business within a jurisdiction.

Business Privilege Tax

A flat rate and/or proportional tax levied on the gross receipts from certain occupations, trades and professions, as well as merchants, vendors and others for the privilege of doing business within the taxing district.

Earned Income Tax

A proportional tax levied on the wages, salaries, commissions, net profits or other compensation of residents within the taxing district.

Mechanical Devices Tax

A flat rate and/or proportional tax levied on the gross receipts from any mechanical device, machine or apparatus for the playing of games for profit, amusement or entertainment or on phonographs or similar musical devices operated through insertion of a coin.

Mercantile Tax

A proportional tax levied on the gross receipts from wholesale and retail businesses including wholesale dealers or dealers in goods, wares and merchandise, and all persons engaged in conducting restaurants or other places where food, drink or refreshments are sold.

Occupational Privilege Tax

A flat rate tax levied on resident and nonresident individuals employed within the taxing district for the privilege of engaging in an occupation.

Occupation Tax

A flat rate and/or proportional tax levied on the occupation of persons residing within the taxing district.

Per Capita Tax

A flat rate tax levied on each adult resident within the taxing district.

Real Estate Transfer Tax

A proportional tax levied on the transfer price of real property within the taxing district.