

## **Act No. 166**

The Department of Revenue has received numerous inquiries regarding Act No. 166, which was approved by the Governor on December 9, 2002. This Act amended Act 511 (Local Tax Enabling Act) by changing the definition of earned income.

The Local Tax Enabling Act gives political subdivisions other than the City of Philadelphia the authority to impose taxes on salaries, wages, net profits, etc. The City of Philadelphia derives its taxing authority from the Sterling Act of 1932 and is not governed by the provisions of the Local Tax Enabling Act.

Please be advised that Act No. 166 did not impact Philadelphia's Wage and Net Profit taxes.