

NRR

Internal Dist:  
NRC Central  
HShapar, TEngelhardt  
JMaynard, RAvery  
BGrier, Region I  
JMcOscar, Regional  
VStello  
HDenton ✓  
LBarry  
OELD Reading  
Chron File

*File Administration*

OCT 1 1979

Mr. Russell C. Earhart  
Tax Collector  
Township of Londonderry  
P.O. Box 336  
Middletown, PA 17057

Dear Mr. Earhart:

Subject: Occupational Privilege Tax

Mr. Boyce H. Grier, Director of the Nuclear Regulatory Commission's (NRC) Region I office at King of Prussia, Pennsylvania has informed us of your request that the NRC collect and remit to the Township of Londonderry at \$10.00 occupational privilege tax for each NRC employee, other than those from the Region I office, who have been or are temporarily stationed at the Three Mile Island nuclear plant as a result of the March 1979 accident at the plant.

We have given your request careful consideration and have reached the conclusion that NRC is not in a position to assist in this matter. As an agency of the Federal government, the NRC is immune from local taxation. Accordingly, we view section 5 of the Township's Ordinance No. 1970-1 as being inapplicable to the NRC with respect to any liability for the payment of the occupational privilege tax.

Moreover, we believe it would be most inappropriate for the Township to apply the Ordinance to NRC employees who have been temporarily detailed to the plant site. As you know, the accident at TMI posed a potential serious threat to the public health and safety. NRC employees responded to the situation with extraordinary efforts and played a key role in averting the danger posed by the accident. NRC employees detailed to the plant continue to play an important role in the safe clean-up operation now underway. If you consider the Ordinance applicable to NRC personnel temporarily detailed to the TMI site, we would encourage the Township to consider granting an exemption from the occupational privilege tax in view of the unusual circumstances involved in this situation.

If you wish to discuss the matter further, please contact me.

Sincerely,

Original Signed by Thomas F. Engelhardt

OFFICE		OELD <i>REV</i>	Thomas F. Engelhardt	OELD	Director
SURNAME		RAvery:wpu:rms	HBRagan	TFEngelhardt	
DATE		9/27/79	9/27/79	9/ /79	