

MEMORANDUM FOR: Howard K. Shapar, Executive Legal Director
FROM: Boyce H. Grier, Director, Region I
SUBJECT: TRANSMITTAL OF OCCUPATION PRIVILEGE TAX REQUEST

This office has recently received a second notice from the Tax Collector of the Township of Londonderry, Pennsylvania (enclosed) which requests that NRC deduct an occupation privilege tax (\$10.00) from all NRC employees who have served at Three Mile Island since January 1, 1979, and forward the proceeds to the Tax Collector of Londonderry Township. The first notice, which was received at TMI by my administrative officer in early April 1979, was returned to the Tax Collector with the notation that NRC did not have any employees at TMI who were eligible to pay the tax since all employees were only there on a temporary basis. This answer did not satisfy the Tax Collector, hence the second notice.

Upon receipt of the second notice, the Region I Administrative Officer contacted the Tax Collector by telephone to discuss the matter. During the course of the discussion, it was pointed out to the Tax Collector that all Region I employees of NRC are already paying the Occupation Privilege Tax to a taxing authority in the King of Prussia area, namely the School District of Upper Merion Township. The Tax Collector agreed that the tax need only be paid to one jurisdiction and therefore Region I personnel did not have to pay the tax to Londonderry Township. He then asked for a letter for his files which indicated these circumstances. He has been furnished such a letter (copy enclosed). He further indicated, however, that those NRC employees who were not assigned to Region I were still liable for the tax and that the Township wanted to collect it. Apparently the local ordinance (copy enclosed) provides that anyone who spends anytime whatsoever pursuing an occupation within the Township is liable for the tax. At this point, the Tax Collector was informed that the matter would be referred to NRC Counsel in Washington and any further correspondence or discussion on the problem would emanate from there. It is requested that you take whatever action is necessary to resolve this matter directly with the Tax Collector of Londonderry Township.

Boyce H. Grier
Director

Three Enclosures: As stated

cc: V. Stello, Director, IE