

AMENDMENTS TO HOUSE BILL NO. 683

Sponsor:

Printer's No. 1427

1 Amend Bill, page 1, lines 1 through 12, by striking out all
2 of said lines and inserting
3 Providing for tax levies and information related to taxes;
4 authorizing the imposition of a personal income tax or an
5 earned income tax by a school district subject to voter
6 approval; providing for imposition of and exclusions from a
7 sales and use tax for the stabilization of education funding,
8 for increase to the personal income tax, for certain
9 licenses, for hotel occupancy tax, for procedure and
10 administration of the tax, for expiration of authority to
11 issue certain debt and for reporting by local government
12 units of debt outstanding; establishing the Education
13 Stabilization Fund; providing for disbursements from this
14 fund; providing for senior citizen property tax rent rebate
15 assistance; and making repeals.

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37 Amend Bill, page 1, lines 15 through 20; page 2, lines 1
38 through 30; page 3, lines 1 through 22; by striking out all of
39 said lines on said pages and inserting

40 CHAPTER 1
41 PRELIMINARY PROVISIONS

42 Section 101. Short title.

43 This act shall be known and may be cited as the Property Tax
44 Independence Act.

45 Section 102. Definitions.

46 The following words and phrases when used in this act shall
47 have the meanings given to them in this section unless the
48 context clearly indicates otherwise:

1 "Department." The Department of Revenue of the Commonwealth.
2 "Education Stabilization Fund." The Education Stabilization
3 Fund established in section 1302.
4 "Fiscal year." The fiscal year of the Commonwealth beginning
5 on July 1 and ending on June 30 of the immediately following
6 calendar year.
7 "Governing body." The board of school directors of a school
8 district, except that the term shall mean the city council of a
9 city of the first class for purposes of the levy and collection
10 of any tax in a school district of the first class.
11 "Internal Revenue Code of 1986." The Internal Revenue Code
12 of 1986 (Public Law 99-514, 26 U.S.C. § 166).
13 "Local Tax Enabling Act." The act of December 31, 1965
14 (P.L.1257, No.511), known as The Local Tax Enabling Act,
15 "Public School Code of 1949." The act of March 10, 1949
16 (P.L.30, No.14), known as the Public School Code of 1949.
17 "School district." A school district of the first class,
18 first class A, second class, third class or fourth class,
19 including any independent school district. For purposes of the
20 levy, assessment and collection of any tax in a school district
21 of the first class, the term shall include the City Council.
22 "School per capita tax." The tax authorized pursuant to
23 section 679 of the act of March 10, 1949 (P.L.30, No.14), known
24 as the Public School Code of 1949,
25 "Secretary." The Secretary of Revenue of the Commonwealth.
26 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,
27 No.2), known as the Tax Reform Code of 1971.

28 CHAPTER 3

29 Taxation by School Districts

30 Section 301. Scope.

31 This chapter authorizes school districts to levy, assess and
32 collect a tax on personal income or a tax on earned income and
33 net profits as a means of abolishing property taxation by the
34 school district.

35 Section 302. Definitions.

36 The words and phrases used in this chapter shall have the
37 same meanings given to them in the Tax Reform Code of 1971 or
38 The Local Tax Enabling Act unless the context clearly indicates
39 otherwise.

40 Section 303. Limitation.

41 Any tax imposed under this chapter shall be subject to the
42 limitations set forth in Chapter 11.

43 Section 304. Preemption.

44 No act of the General Assembly shall vacate or preempt any
45 resolution passed or adopted under the authority of this
46 chapter, or any other act, providing authority for the
47 imposition of a tax by a school district, unless the act of the
48 General Assembly expressly vacates or preempts the authority to
49 pass or adopt resolutions.

50 Section 305. General tax authorization.

51 (a) General rule.--A board of school directors may, by

1 resolution, levy, assess and collect or provide for the levying,
2 assessment and collection of a tax on personal income or a tax
3 on earned income and net profits for general revenue purposes.

4 (b) Personal income tax.--

5 (1) A board of school directors may levy, assess and
6 collect a tax on the personal income of resident individuals
7 at a rate determined by the board of school directors.

8 (2) A school district which seeks to levy the tax
9 authorized under paragraph (1) must comply with section 306.

10 (3) If a board of school directors seeks to impose a
11 personal income tax under this subsection and the referendum
12 under section 306 is approved by the electorate, the board of
13 school directors shall have no authority to impose an earned
14 income and net profits tax under subsection (c) or any other
15 act.

16 (4) A personal income tax imposed under the authority of
17 this section shall be levied by the school district on each
18 of the classes of income specified in section 303 of the Tax
19 Reform Code of 1971 and regulations under that section,
20 provisions of which are incorporated by reference into this
21 chapter.

22 (i) Notwithstanding the provisions of section 353(f)
23 of the Tax Reform Code of 1971, the Department of Revenue
24 may permit the proper officer or an authorized agent of a
25 school district imposing a personal income tax pursuant
26 to this chapter to inspect the tax returns of any
27 taxpayer of the school district or may furnish to the
28 officer or an authorized agent an abstract of the return
29 of income of any current or former resident of the school
30 district or supply information concerning any item of
31 income contained in any tax return. The officer or
32 authorized agent of the school district imposing a tax
33 under this chapter shall be furnished the requested
34 information upon payment to the Department of Revenue of
35 the actual cost of providing the requested information.

36 (ii) (A) Except for official purposes or as
37 provided by law, it shall be unlawful for any officer
38 or authorized agent of a school district to do any of
39 the following:

40 (I) Disclose to any other individual or
41 entity the amount or source of income, profits,
42 losses, expenditures or any particular
43 information concerning income, profits, losses or
44 expenditures contained in any return.

45 (II) Permit any other individual or entity
46 to view or examine any return or copy of a return
47 or any book containing any abstract or
48 particulars.

49 (III) Print, publish or publicize in any
50 manner any return; any particular information
51 contained in or concerning the return; any amount

1 or source of income, profits, losses or
2 expenditures in or concerning the return; or any
3 particular information concerning income,
4 profits, losses or expenditures contained in or
5 relating to any return.

6 (B) Any officer or authorized agent of a school
7 district that violates clause (A):

8 (I) May be fined not more than \$1,000 or
9 imprisoned for not more than one year, or both.

10 (II) May be removed from office or
11 discharged from employment.

12 (c) Earned income and net profits tax.--

13 (1) A board of school directors may levy, assess and
14 collect a tax on earned income and net profits of resident
15 individuals at a rate determined by the board of school
16 directors.

17 (2) A school district which seeks to levy the tax
18 authorized under paragraph (1) must comply with section 306.

19 (3) If a board of school directors seeks to impose a tax
20 on earned income and net profits under this subsection and
21 the referendum under section 306 is approved by the
22 electorate, the board of school directors shall have no
23 authority to impose a personal income tax under subsection
24 (b) or any other act.

25 Section 306. Referendum.

26 (a) General rule.--In order to levy a personal income tax or
27 an earned income and net profits tax under this chapter, a
28 governing body shall use the procedures set forth in subsections
29 (b), (c), (d), (e), (f) and (g).

30 (b) Approved by electorate.--

31 (1) Subject to notice and public hearing requirements of
32 subsection (g), a governing body may levy the personal income
33 tax or earned income and net profits tax under this chapter
34 only by obtaining the approval of the electorate of the
35 affected school district in a public referendum at only the
36 primary election preceding the fiscal year when the personal
37 income tax or earned income and net profits tax will be
38 initially imposed or the rate increased.

39 (2) The referendum question must state the initial rate
40 of the proposed personal income tax or earned income and net
41 profits tax, the purpose of the tax, the duration of the tax
42 and the amount of revenue to be generated by the
43 implementation of the tax.

44 (3) The question shall be in clear language that is
45 readily understandable by a layperson. For the purpose of
46 illustration, a referendum question may be framed as follows:

47 Do you favor paying a personal income tax of X% for
48 the purpose of X, for X years, which will generate
49 \$X?

50 Do you favor paying an earned income and net profits
51 tax of X% for the purpose of X, for X years, which

1 will generate \$X?

2 (4) A nonlegal interpretative statement must accompany
3 the question in accordance with section 201.1 of the act of
4 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
5 Election Code, that includes the following:

6 (i) the initial rate of the personal income or
7 earned income and net profits tax imposed under this
8 chapter; and

9 (ii) the estimated revenues to be derived from the
10 initial rate imposed under this chapter.

11 (c) School district located in more than one county.--In the
12 event a school district is located in more than one county,
13 petitions under this section shall be filed with the election
14 officials of the county in which the administrative offices of
15 the school district are located.

16 (d) Review and certification.--The election officials who
17 receive a petition shall perform all administrative functions in
18 reviewing and certifying the validity of the petition and
19 conduct all necessary communications with the school district.

20 (e) Notification.--

21 (1) If the election officials of the county who receive
22 the petition certify that it is sufficient under this section
23 and determine that a question should be placed on the ballot,
24 the decision shall be communicated to election officials in
25 any other county in which the school district is also
26 located.

27 (2) Election officials in the other county or counties
28 shall cooperate with election officials of the county that
29 receives the petition to ensure that an identical question is
30 placed on the ballot at the same election throughout the
31 entire school district.

32 (f) Certification of results.--Election officials from each
33 county involved shall independently certify the results from
34 their county to the governing body.

35 (g) Adoption of resolution.--

36 (1) In order to levy the tax under this section, the
37 governing body shall adopt a resolution which shall refer to
38 this chapter prior to placing a question on the ballot.

39 (2) Prior to adopting a resolution imposing the tax
40 authorized by this section, the governing body shall give
41 public notice of its intent to adopt the resolution in the
42 manner provided by The Local Tax Enabling Act and shall
43 conduct at least two public hearings regarding the proposed
44 adoption of the resolution. One public hearing shall be
45 conducted during normal business hours and one public hearing
46 shall be conducted during evening hours or on a weekend.

47 Section 307. Continuity of tax.

48 Every tax levied under this chapter shall continue in force
49 on a fiscal year basis without annual reenactment unless the
50 rate of the tax is subsequently changed or the duration placed
51 on the referendum has expired.

1 Section 308. Collections.

2 Any income tax imposed under this chapter shall be subject to
3 the provisions for collection and delinquency found in The Local
4 Tax Enabling Act.

5 Section 309. Credits.

6 (a) Credit.--Except as set forth in subsection (b), the
7 provisions of The Local Tax Enabling Act shall be applied by a
8 board of school directors to determine any credits applicable to
9 a tax imposed under this chapter.

10 (b) Limitation.--Payment of any tax on income to any state
11 other than Pennsylvania or to any political subdivision located
12 outside the boundaries of this Commonwealth by a resident of a
13 school district located in this Commonwealth shall not be
14 credited to and allowed as a deduction from the liability of
15 such person for any income tax imposed by the school district of
16 residence pursuant to this chapter.

17 Section 310. Exemption and special provisions.

18 (a) Earned income and net profits tax.--A school district
19 that imposes an earned income and net profits tax authorized
20 under section 305(c) may exempt from the payment of that tax any
21 person whose total income from all sources is less than \$12,000.

22 (b) Applicability to personal income tax.--Section 304 of
23 the Tax Reform Code of 1971 shall apply to any personal income
24 tax levied by a school district under section 305(b).

25 Section 311. Regulations.

26 A school district that imposes:

27 (1) an earned income and net profits tax authorized
28 under section 305(c) shall be subject to the provisions of
29 The Local Tax Enabling Act and may adopt procedures for the
30 processing of claims for credits and exemptions under section
31 309 and 310; or

32 (2) a personal income tax under section 305(b) shall be
33 subject to all regulations adopted by the Department of
34 Revenue in administering the tax due to the Commonwealth
35 under Article III of the Tax Reform Code of 1971.

36 CHAPTER 4

37 EDUCATION TAX

38 Section 401. Education tax.

39 (a) General rule.--In addition to the tax collected under
40 section 302 of the Tax Reform Code of 1971, the Commonwealth
41 shall impose and administer the tax set forth in subsection (b)
42 in the same manner as the tax under Article III of the Tax
43 Reform Code of 1971.

44 (b) Imposition of tax.--

45 (1) Every resident individual, estate or trust shall be
46 subject to, and shall pay for the privilege of receiving each
47 of the classes of income enumerated in section 303 of the Tax
48 Reform Code of 1971, a tax upon each dollar of income
49 received by that resident during that resident's taxable year
50 at the rate of 1.88%.

51 (2) Every nonresident individual, estate or trust shall

1 be subject to, and shall pay for the privilege of receiving
2 each of the classes of income enumerated in section 303 of
3 the Tax Reform Code of 1971 from sources within this
4 Commonwealth, a tax upon each dollar of income received by
5 that nonresident during that nonresident's taxable year at
6 the rate of 1.88%.

7 (c) Deposit in Education Stabilization Fund.--

8 (1) All moneys collected under this section shall be
9 deposited in the Education Stabilization Fund.

10 (2) So much of the proceeds of the tax imposed by this
11 chapter as shall be necessary for the payment of refunds,
12 enforcement or administration under this chapter is hereby
13 appropriated to the department for such purposes.

14 (d) Combination of tax forms.--The department shall
15 incorporate the taxpayer reporting requirement for the
16 implementation of this section into the forms utilized by the
17 department under Article III of the Tax Reform Code of 1971.

18 (e) Definitions.--The words and phrases used in this section
19 shall have the same meaning given to them in Article III of the
20 Tax Reform Code of 1971.

21 CHAPTER 7
22 SALES AND USE TAX FOR THE
23 STABILIZATION OF EDUCATION FUNDING
24 SUBCHAPTER A
25 PRELIMINARY PROVISIONS

26 Section 700. Scope.

27 The tax provided for under this chapter shall be known as the
28 Sales and Use Tax for the Stabilization of Education Funding,
29 which shall be a replacement for the sales and use tax
30 authorized under Article II of the Tax Reform Code of 1971 and
31 that is repealed by this act.

32 Section 701. Definitions.

33 The following words and phrases when used in this chapter
34 shall have the meanings given to them in this section unless the
35 context clearly indicates otherwise:

36 (a) "Soft drinks."

37 (1) All nonalcoholic beverages, whether carbonated or
38 not, such as soda water, ginger ale, Coca Cola, lime cola,
39 Pepsi Cola, Dr Pepper, fruit juice when plain or carbonated
40 water, flavoring or syrup is added, carbonated water,
41 orangeade, lemonade, root beer or any and all preparations,
42 commonly referred to as soft drinks, of whatsoever kind, and
43 are further described as including any and all beverages,
44 commonly referred to as soft drinks, which are made with or
45 without the use of any syrup.

46 (2) The term does not include natural fruit or vegetable
47 juices or their concentrates, or noncarbonated fruit juice
48 drinks containing not less than 25% by volume of natural
49 fruit juices or of fruit juice which has been reconstituted
50 to its original state, or natural concentrated fruit or
51 vegetable juices reconstituted to their original state,

1 whether any of the natural juices are frozen or unfrozen,
2 sweetened or unsweetened, seasoned with salt or spice or
3 unseasoned. The term also does not include coffee, coffee
4 substitutes, tea, cocoa, natural fluid milk or noncarbonated
5 drinks made from milk derivatives.

6 (b) "Maintaining a place of business in this Commonwealth."

7 (1) Having, maintaining or using within this
8 Commonwealth, either directly or through a subsidiary,
9 representative or an agent, an office, distribution house,
10 sales house, warehouse, service enterprise or other place of
11 business; or any agent of general or restricted authority, or
12 representative, irrespective of whether the place of
13 business, representative or agent is located in this
14 Commonwealth, permanently or temporarily, or whether the
15 person or subsidiary maintaining the place of business,
16 representative or agent is authorized to do business within
17 this Commonwealth.

18 (1.1) Providing taxable services.

19 (2) Engaging in any activity as a business within this
20 Commonwealth by any person, either directly or through a
21 subsidiary, representative or an agent, in connection with
22 the lease, sale or delivery of tangible personal property or
23 the performance of services thereon for use, storage or
24 consumption or in connection with the sale or delivery for
25 use of the services described in subclauses (11) through (18)
26 of clause (k) of this section, including, but not limited to,
27 having, maintaining or using any office, distribution house,
28 sales house, warehouse or other place of business, any stock
29 of goods or any solicitor, canvasser, salesman,
30 representative or agent under its authority, at its direction
31 or with its permission, regardless of whether the person or
32 subsidiary is authorized to do business in this Commonwealth.

33 (3) Regularly or substantially soliciting orders within
34 this Commonwealth in connection with the lease, sale or
35 delivery of tangible personal property to or the performance
36 thereon of services or in connection with the sale or
37 delivery of the services described in subclauses (11) through
38 (18) of clause (k) of this section for residents of this
39 Commonwealth by means of catalogs or other advertising,
40 whether the orders are accepted within or without this
41 Commonwealth.

42 (3.1) Entering this Commonwealth by any person to
43 provide assembly, service or repair of tangible personal
44 property, either directly or through a subsidiary,
45 representative or an agent.

46 (3.2) Delivering tangible personal property to locations
47 within this Commonwealth if the delivery includes the
48 unpacking, positioning, placing or assembling of the tangible
49 personal property.

50 (3.3) Having any contact within this Commonwealth which
51 would allow the Commonwealth to require a person to collect

1 and remit tax under the Constitution of the United States.

2 (3.4) Providing a customer's mobile telecommunications
3 service deemed to be provided by the customer's home service
4 provider under the Mobile Telecommunications Sourcing Act (4
5 U.S.C. § 116). For purposes of this clause, words and phrases
6 used in this clause shall have the meanings given to them in
7 the Mobile Telecommunications Sourcing Act.

8 (4) The term does not include:

9 (i) Owning or leasing of tangible or intangible
10 property by a person who has contracted with an
11 unaffiliated commercial printer for printing, provided
12 that:

13 (A) the property is for use by the commercial
14 printer; and

15 (B) the property is located at the Pennsylvania
16 premises of the commercial printer.

17 (ii) Visits by a person's employees or agents to the
18 premises in this Commonwealth of an unaffiliated
19 commercial printer with whom the person has contracted
20 for printing in connection with said contract.

21 (c) "Manufacture." The performance of manufacturing,
22 fabricating, compounding, processing or other operations,
23 engaged in as a business, which place any tangible personal
24 property in a form, composition or character different from that
25 in which it is acquired whether for sale or use by the
26 manufacturer, and shall include, but not be limited to:

27 (1) Every operation commencing with the first production
28 stage and ending with the completion of tangible personal
29 property having the physical qualities, including packaging,
30 if any, passing to the ultimate consumer, which it has when
31 transferred by the manufacturer to another. For purposes of
32 this definition, "operation" includes clean rooms and their
33 component systems, including: environmental control systems,
34 antistatic vertical walls and manufacturing platforms and
35 floors which are independent of the real estate; process
36 piping systems; specialized lighting systems; deionized water
37 systems; process vacuum and compressed air systems; process
38 and specialty gases; and alarm or warning devices
39 specifically designed to warn of threats to the integrity of
40 the product or people. For purposes of this definition, a
41 "clean room" is a location with a self-contained, sealed
42 environment with a controlled, closed air system independent
43 from the facility's general environmental control system.

44 (2) The publishing of books, newspapers, magazines and
45 other periodicals and printing.

46 (3) Refining, blasting, exploring, mining and quarrying
47 for, or otherwise extracting from the earth or from waste or
48 stock piles or from pits or banks any natural resources,
49 minerals and mineral aggregates including blast furnace slag.

50 (4) Building, rebuilding, repairing and making additions
51 to, or replacements in or upon vessels designed for

1 commercial use of registered tonnage of 50 tons or more when
2 produced on special order of the purchaser, or when rebuilt,
3 repaired or enlarged, or when replacements are made upon
4 order of or for the account of the owner.

5 (5) Research having as its objective the production of a
6 new or an improved:

7 (i) product or utility service; or

8 (ii) method of producing a product or utility
9 service,

10 but in either case not including market research or research
11 having as its objective the improvement of administrative
12 efficiency.

13 (6) Remanufacture for wholesale distribution by a
14 remanufacturer of motor vehicle parts from used parts
15 acquired in bulk by the remanufacturer using an assembly line
16 process which involves the complete disassembly of such parts
17 and integration of the components of such parts with other
18 used or new components of parts, including the salvaging,
19 recycling or reclaiming of used parts by the remanufacturer.

20 (7) Remanufacture or retrofit by a manufacturer or
21 remanufacturer of aircraft, armored vehicles, other defense-
22 related vehicles having a finished value of at least \$50,000.
23 Remanufacture or retrofit involves the disassembly of such
24 aircraft, vehicles, parts or components, including electric
25 or electronic components, the integration of those parts and
26 components with other used or new parts or components,
27 including the salvaging, recycling or reclaiming of the used
28 parts or components and the assembly of the new or used
29 aircraft, vehicles, parts or components. For purposes of this
30 clause, the following terms or phrases have the following
31 meanings:

32 (i) "aircraft" means fixed-wing aircraft,
33 helicopters, powered aircraft, tilt-rotor or tilt-wing
34 aircraft, unmanned aircraft and gliders;

35 (ii) "armored vehicles" means tanks, armed personnel
36 carriers and all other armed track or semitrack vehicles;
37 and

38 (iii) "other defense-related vehicles" means trucks,
39 truck-tractors, trailers, jeeps and other utility
40 vehicles, including any unmanned vehicles.

41 (8) Remanufacture by a remanufacturer of locomotive
42 parts from used parts acquired in bulk by the remanufacturer
43 using an assembly line process which involves the complete
44 disassembly of such parts and integration of the components
45 of such parts with other used or new components of parts,
46 including the salvaging, recycling or reclaiming of used
47 parts by the remanufacturer.

48 The term does not include constructing, altering, servicing,
49 repairing or improving real estate or repairing, servicing or
50 installing tangible personal property, nor the producing of a
51 commercial motion picture, nor the cooking, freezing or baking

1 of fruits, vegetables, mushrooms, fish, seafood, meats, poultry
2 or bakery products.

3 (c.1) "Blasting." The use of any combustible or explosive
4 composition in the removal of material resources, minerals and
5 mineral aggregates from the earth including the separation of
6 the dirt, waste and refuse in which they are found.

7 (d) "Processing." The performance of the following
8 activities when engaged in as a business enterprise:

9 (1) The filtering or heating of honey, the cooking,
10 baking or freezing of fruits, vegetables, mushrooms, fish,
11 seafood, meats, poultry or bakery products, when the person
12 engaged in the business packages the property in sealed
13 containers for wholesale distribution.

14 (1.1) The processing of fruits or vegetables by
15 cleaning, cutting, coring, peeling or chopping and treating
16 to preserve, sterilize or purify and substantially extend the
17 useful shelf life of the fruits or vegetables, when the
18 person engaged in the activity packages the property in
19 sealed containers for wholesale distribution.

20 (2) The scouring, carbonizing, cording, combing,
21 throwing, twisting or winding of natural or synthetic fibers,
22 or the spinning, bleaching, dyeing, printing or finishing of
23 yarns or fabrics, when the activities are performed prior to
24 sale to the ultimate consumer.

25 (3) The electroplating, galvanizing, enameling,
26 anodizing, coloring, finishing, impregnating or heat treating
27 of metals or plastics for sale or in the process of
28 manufacturing.

29 (3.1) The blanking, shearing, leveling, slitting or
30 burning of metals for sale to or use by a manufacturer or
31 processor.

32 (4) The rolling, drawing or extruding of ferrous and
33 nonferrous metals.

34 (5) The fabrication for sale of ornamental or structural
35 metal or of metal stairs, staircases, gratings, fire escapes
36 or railings, not including fabrication work done at the
37 construction site.

38 (6) The preparation of animal feed or poultry feed for
39 sale.

40 (7) The production, processing and bottling of
41 nonalcoholic beverages for wholesale distribution.

42 (8) The operation of a saw mill or planing mill for the
43 production of lumber or lumber products for sale. The
44 operation of a saw mill or planing mill begins with the
45 unloading by the operator of the saw mill or planing mill of
46 logs, timber, pulpwood or other forms of wood material to be
47 used in the saw mill or planing mill.

48 (9) The milling for sale of flour or meal from grains.

49 (9.1) The aging, stripping, conditioning, crushing and
50 blending of tobacco leaves for use as cigar filler or as
51 components of smokeless tobacco products for sale to

1 manufacturers of tobacco products.

2 (10) The slaughtering and dressing of animals for meat
3 to be sold or to be used in preparing meat products for sale,
4 and the preparation of meat products including lard, tallow,
5 grease, cooking and inedible oils for wholesale distribution.

6 (11) The processing of used lubricating oils.

7 (12) The broadcasting of radio and television programs
8 of licensed commercial or educational stations.

9 (13) The cooking or baking of bread, pastries, cakes,
10 cookies, muffins and donuts when the person engaged in the
11 activity sells the items at retail at locations that do not
12 constitute an establishment from which ready-to-eat food and
13 beverages are sold. For purposes of this clause, a bakery, a
14 pastry shop and a donut shop shall not be considered an
15 establishment from which ready-to-eat food and beverages are
16 sold.

17 (14) The cleaning and roasting and the blending,
18 grinding or packaging for sale of coffee from green coffee
19 beans or the production of coffee extract.

20 (15) The preparation of dry or liquid fertilizer for
21 sale.

22 (16) The production, processing and packaging of ice for
23 wholesale distribution.

24 (17) The producing of mobile telecommunications
25 services.

26 (18) The collection, washing, sorting, inspecting and
27 packaging of eggs.

28 (e) "Person." Any natural person, association, fiduciary,
29 partnership, corporation or other entity, including the
30 Commonwealth of Pennsylvania, its political subdivisions and
31 instrumentalities and public authorities. Whenever used in
32 prescribing and imposing a penalty or imposing a fine or
33 imprisonment, or both, the term as applied to an association,
34 includes the members of the association and, as applied to a
35 corporation, the officers of the corporation.

36 (f) "Purchase at retail."

37 (1) The acquisition for a consideration of the
38 ownership, custody or possession of tangible personal
39 property other than for resale by the person acquiring the
40 same when the acquisition is made for the purpose of
41 consumption or use, whether the acquisition is absolute or
42 conditional, and by any means it is effected.

43 (2) The acquisition of a license to use or consume, and
44 the rental or lease of tangible personal property, other than
45 for resale regardless of the period of time the lessee has
46 possession or custody of the property.

47 (3) The obtaining for a consideration of those services
48 described in subclauses (2), (3) and (4) of clause (k) of
49 this section other than for resale.

50 (4) A retention after March 7, 1956, of possession,
51 custody or a license to use or consume pursuant to a rental

1 contract or other lease arrangement (other than as security)
2 other than for resale.

3 (5) The obtaining for a consideration of those services
4 described in subclauses (11) through (18) of clause (k) of
5 this section.

6 The term, with respect to liquor and malt or brewed beverages,
7 includes the purchase of liquor from any Pennsylvania Liquor
8 Store by any person for any purpose, and the purchase of malt or
9 brewed beverages from a manufacturer of malt or brewed
10 beverages, distributor or importing distributor by any person
11 for any purpose, except purchases from a manufacturer of malt or
12 brewed beverages by a distributor or importing distributor or
13 purchases from an importing distributor by a distributor within
14 the meaning of the Liquor Code. The term does not include any
15 purchase of malt or brewed beverages from a retail dispenser or
16 any purchase of liquor or malt or brewed beverages from a person
17 holding a retail liquor license within the meaning of and
18 pursuant to the provisions of the Liquor Code, but includes any
19 purchase or acquisition of liquor or malt or brewed beverages
20 other than pursuant to the provisions of the Liquor Code.

21 (g) "Purchase price."

22 (1) The total value of anything paid or delivered, or
23 promised to be paid or delivered, whether money or otherwise,
24 in complete performance of a sale at retail or purchase at
25 retail, without any deduction on account of the cost or value
26 of the property sold, cost or value of transportation, cost
27 or value of labor or service, interest or discount paid or
28 allowed after the sale is consummated, any other taxes
29 imposed by the Commonwealth or any other expense except that
30 there shall be excluded any gratuity or separately stated
31 deposit charge for returnable containers.

32 (2) The value of any tangible personal property actually
33 taken in trade or exchange in lieu of the whole or any part
34 of the purchase price shall be deducted from the purchase
35 price. For the purpose of this clause, the amount allowed by
36 reason of tangible personal property actually taken in trade
37 or exchange shall be considered the value of such property.

38 (3) (i) In determining the purchase price on the sale
39 or use of taxable tangible personal property or a service
40 where, because of affiliation of interests between the
41 vendor and purchaser, or irrespective of any such
42 affiliation, if for any other reason the purchase price
43 declared by the vendor or taxpayer on the taxable sale or
44 use of such tangible personal property or service is, in
45 the opinion of the department, not indicative of the true
46 value of the article or service or the fair price
47 thereof, the department shall, pursuant to uniform and
48 equitable rules, determine the amount of constructive
49 purchase price on the basis of which the tax shall be
50 computed and levied. The rules shall provide for a
51 constructive amount of purchase price for each sale or

1 use which would naturally and fairly be charged in an
2 arms-length transaction in which the element of common
3 interest between the vendor or purchaser is absent or, if
4 no common interest exists, any other element causing a
5 distortion of the price or value is likewise absent.

6 (ii) For the purpose of this clause where a taxable
7 sale or purchase at retail transaction occurs between a
8 parent and a subsidiary, affiliate or controlled
9 corporation of such parent corporation, there shall be a
10 rebuttable presumption, that because of the common
11 interest, the transaction was not at arms-length.

12 (4) Where there is a transfer or retention of possession
13 or custody, whether it is termed a rental, lease, service or
14 otherwise, of tangible personal property including, but not
15 limited to, linens, aprons, motor vehicles, trailers, tires,
16 industrial office and construction equipment, and business
17 machines the full consideration paid or delivered to the
18 vendor or lessor shall be considered the purchase price, even
19 though the consideration is separately stated and designated
20 as payment for processing, laundering, service, maintenance,
21 insurance, repairs, depreciation or otherwise. Where the
22 vendor or lessor supplies or provides an employee to operate
23 the tangible personal property, the value of the labor
24 supplied may be excluded and shall not be considered as part
25 of the purchase price if separately stated. There shall also
26 be included as part of the purchase price the value of
27 anything paid or delivered, or promised to be paid or
28 delivered by a lessee, whether money or otherwise, to any
29 person other than the vendor or lessor by reason of the
30 maintenance, insurance or repair of the tangible personal
31 property which a lessee has the possession or custody of
32 under a rental contract or lease arrangement.

33 (5) (i) With respect to the tax imposed by section
34 702(a)(2), on any tangible personal property originally
35 purchased by the user of the property six months or
36 longer prior to the first taxable use of the property
37 within this Commonwealth, the user may elect to pay tax
38 on a substituted base determined by considering the
39 purchase price of the property for tax purposes to be
40 equal to the prevailing market price of similar tangible
41 personal property at the time and place of the first use
42 within this Commonwealth.

43 (ii) The election must be made at the time of filing
44 a tax return with the department and reporting the tax
45 liability and paying the proper tax due plus all accrued
46 penalties and interest, if any, within six months of the
47 due date of such report and payment, as provided for by
48 section 717(a) and (c).

49 (6) The purchase price of employment agency services and
50 help supply services shall be the service fee paid by the
51 purchaser to the vendor or supplying entity. The term

1 "service fee," as used in this subclause, means the total
2 charge or fee of the vendor or supplying entity minus the
3 costs of the supplied employee which costs are wages,
4 salaries, bonuses and commissions, employment benefits,
5 expense reimbursements and payroll and withholding taxes, to
6 the extent that these costs are specifically itemized or that
7 these costs in aggregate are stated in billings from the
8 vendor or supplying entity. To the extent that these costs
9 are not itemized or stated on the billings, then the service
10 fee shall be the total charge or fee of the vendor or
11 supplying entity.

12 (7) Unless the vendor separately states that portion of
13 the billing which applies to premium cable service as defined
14 in clause (11), the total bill for the provision of all cable
15 services shall be the purchase price.

16 (8) The purchase price of prebuilt housing shall be 60%
17 of the manufacturer's selling price, provided that a
18 manufacturer of prebuilt housing who precollects tax from a
19 prebuilt housing builder at the time of the sale to the
20 prebuilt housing builder shall have the option to collect tax
21 on 60% of the selling price or on 100% of the actual cost of
22 the supplies and materials used in the manufacture of the
23 prebuilt housing.

24 (9) Amounts representing on-the-spot cash discounts,
25 employee discounts, volume discounts, store discounts such as
26 "buy one, get one free," wholesaler's or trade discounts,
27 rebates and store or manufacturer's coupons shall establish a
28 new purchase price if both the item and the coupon are
29 described on the invoice or cash register tape. An amount
30 representing a discount allowed for prompt payment of bills
31 which is dependent upon an event occurring after the
32 completion of the sale may not be deducted in computing the
33 tax. A sale is completed when there is a transfer of
34 ownership of the property or services to the purchaser.

35 (h) "Purchaser." Any person who acquires, for a
36 consideration, the ownership, custody or possession by sale,
37 lease or otherwise of tangible personal property, or who obtains
38 services in exchange for a purchase price but not including an
39 employer who obtains services from his employees in exchange for
40 wages or salaries when such services are rendered in the
41 ordinary scope of their employment.

42 (i) "Resale."

43 (1) Any transfer of ownership, custody or possession of
44 tangible personal property for a consideration, including the
45 grant of a license to use or consume and transactions where
46 the possession of the property is transferred but where the
47 transferor retains title only as security for payment of the
48 selling price whether the transaction is designated as
49 bailment lease, conditional sale or otherwise.

50 (2) The physical incorporation of tangible personal
51 property as an ingredient or constituent into other tangible

1 personal property, which is to be sold in the regular course
2 of business or the performance of those services described in
3 subclauses (2), (3) and (4) of clause (k) upon tangible
4 personal property which is to be sold in the regular course
5 of business or where the person incorporating the property
6 has undertaken at the time of purchase to cause it to be
7 transported in interstate commerce to a destination outside
8 this Commonwealth. The term includes telecommunications
9 services purchased by a cable operator or video programmer
10 that are used to transport or deliver cable or video
11 programming services which are sold in the regular course of
12 business.

13 (3) The term also includes tangible personal property
14 purchased or having a situs within this Commonwealth solely
15 for the purpose of being processed, fabricated or
16 manufactured into, attached to or incorporated into tangible
17 personal property and thereafter transported outside this
18 Commonwealth for use exclusively outside this Commonwealth.

19 (4) The term does not include any sale of malt or brewed
20 beverages by a retail dispenser, or any sale of liquor or
21 malt or brewed beverages by a person holding a retail liquor
22 license within the meaning of the act of April 12, 1951
23 (P.L.90, No.21), known as the Liquor Code.

24 (5) The physical incorporation of tangible personal
25 property as an ingredient or constituent in the construction
26 of foundations for machinery or equipment the sale or use of
27 which is excluded from tax under the provisions of paragraphs
28 (A), (B), (C) and (D) of subclause (8) of clause (k) and
29 subparagraphs (i), (ii), (iii) and (iv) of paragraph (B) of
30 subclause (4) of clause (o), whether the foundations at the
31 time of construction or transfer constitute tangible personal
32 property or real estate.

33 (6) The sale at retail or use of services performed for
34 resale in the ordinary course of business of the purchaser or
35 user of such services.

36 (7) The sale at retail or use of services that are
37 otherwise taxable that are an integral, inseparable part of
38 the services that are to be sold or used that are taxable.

39 (j) "Resident."

40 (1) Any natural person:

41 (i) who is domiciled in this Commonwealth; or

42 (ii) who maintains a permanent place of abode within
43 this Commonwealth and spends in the aggregate more than
44 60 days of the year within this Commonwealth.

45 (2) Any corporation:

46 (i) incorporated under the laws of this
47 Commonwealth;

48 (ii) authorized to do business or doing business
49 within this Commonwealth; or

50 (iii) maintaining a place of business within this
51 Commonwealth.

1 (3) Any association, fiduciary, partnership or other
2 entity:

3 (i) domiciled in this Commonwealth;

4 (ii) authorized to do business or doing business
5 within this Commonwealth; or

6 (iii) maintaining a place of business within this
7 Commonwealth.

8 (k) "Sale at retail."

9 (1) Any transfer, for a consideration, of the ownership,
10 custody or possession of tangible personal property,
11 including the grant of a license to use or consume whether
12 the transfer is absolute or conditional and by any means the
13 transfer is effected.

14 (2) The rendition of the service of printing or
15 imprinting of tangible personal property for a consideration
16 for persons who furnish, either directly or indirectly, the
17 materials used in the printing or imprinting.

18 (3) The rendition for a consideration of the service of:

19 (i) washing, cleaning, waxing, polishing or
20 lubricating of motor vehicles of another, regardless of
21 whether any tangible personal property is transferred in
22 conjunction with the activity; and

23 (ii) inspecting motor vehicles pursuant to the
24 mandatory requirements of 75 Pa.C.S. (relating to
25 vehicles).

26 (4) The rendition for a consideration of the service of
27 repairing, altering, mending, pressing, fitting, dyeing,
28 laundering, drycleaning or cleaning tangible personal
29 property other than wearing apparel or shoes, or applying or
30 installing tangible personal property as a repair or
31 replacement part of other tangible personal property other
32 than wearing apparel or shoes for a consideration, regardless
33 of whether the services are performed directly or by any
34 means other than by coin-operated self-service laundry
35 equipment for wearing apparel or household goods and whether
36 or not any tangible personal property is transferred in
37 conjunction with the activity, except such services as are
38 rendered in the construction, reconstruction, remodeling,
39 repair or maintenance of real estate.

40 (5) (Reserved).

41 (6) (Reserved).

42 (7) (Reserved).

43 (8) Any retention of possession, custody or a license to
44 use or consume tangible personal property or any further
45 obtaining of services described in subclauses (2), (3) and
46 (4) of this clause pursuant to a rental or service contract
47 or other arrangement (other than as security). The term does
48 not include:

49 (i) any transfer of tangible personal property or
50 rendition of services for the purpose of resale; or

51 (ii) the rendition of services or the transfer of

1 tangible personal property, including, but not limited
2 to, machinery and equipment and their parts and supplies
3 to be used or consumed by the purchaser directly in the
4 operations of:

5 (A) The manufacture of tangible personal
6 property.

7 (B) Farming, dairying, agriculture, horticulture
8 or floriculture when engaged in as a business
9 enterprise. The term "farming" includes the
10 propagation and raising of ranch raised fur-bearing
11 animals and the propagation of game birds for
12 commercial purposes by holders of propagation permits
13 issued under 34 Pa.C.S. (relating to game) and the
14 propagation and raising of horses to be used
15 exclusively for commercial racing activities.

16 (C) The producing, delivering or rendering of a
17 public utility service, or in constructing,
18 reconstructing, remodeling, repairing or maintaining
19 the facilities which are directly used in producing,
20 delivering or rendering the service.

21 (D) Processing as defined in clause (d). The
22 exclusions provided in this paragraph or paragraph
23 (A), (B) or (C) do not apply to any vehicle required
24 registered under 75 Pa.C.S. (relating to vehicles),
25 except those vehicles used directly by a public
26 utility engaged in business as a common carrier; to
27 maintenance facilities; or to materials, supplies or
28 equipment to be used or consumed in the construction,
29 reconstruction, remodeling, repair or maintenance of
30 real estate other than directly used machinery,
31 equipment, parts or foundations that may be affixed
32 to such real estate. The exclusions provided in this
33 paragraph or paragraph (A), (B) or (C) do not apply
34 to tangible personal property or services to be used
35 or consumed in managerial sales or other
36 nonoperational activities, nor to the purchase or use
37 of tangible personal property or services by any
38 person other than the person directly using the same
39 in the operations described in this paragraph or
40 paragraph (A), (B) or (C).

41 The exclusion provided in paragraph (C) does not apply to:

42 (i) construction materials, supplies or equipment
43 used to construct, reconstruct, remodel, repair or
44 maintain facilities not used directly by the purchaser in
45 the production, delivering or rendition of public utility
46 service;

47 (ii) construction materials, supplies or equipment
48 used to construct, reconstruct, remodel, repair or
49 maintain a building, road or similar structure; or

50 (iii) tools and equipment used but not installed in
51 the maintenance of facilities used directly in the

1 production, delivering or rendition of a public utility
2 service.

3 The exclusions provided in paragraphs (A), (B), (C) and (D)
4 do not apply to the services enumerated in clauses (k)(11)
5 through (18) and (w) through (kk), except that the exclusion
6 provided in this subclause for farming, dairying and
7 agriculture shall apply to the service enumerated in clause
8 (z).

9 (9) Where tangible personal property or services are
10 utilized for purposes constituting a sale at retail and for
11 purposes excluded from the definition of "sale at retail," it
12 shall be presumed that the tangible personal property or
13 services are utilized for purposes constituting a sale at
14 retail and subject to tax unless the user proves to the
15 department that the predominant purposes for which such
16 tangible personal property or services are utilized do not
17 constitute a sale at retail.

18 (10) The term, with respect to liquor and malt or brewed
19 beverages, includes the sale of liquor by any Pennsylvania
20 liquor store to any person for any purpose, and the sale of
21 malt or brewed beverages by a manufacturer of malt or brewed
22 beverages, distributor or importing distributor to any person
23 for any purpose, except sales by a manufacturer of malt or
24 brewed beverages to a distributor or importing distributor or
25 sales by an importing distributor to a distributor within the
26 meaning of the act of April 12, 1951 (P.L.90, No.21), known
27 as the Liquor Code. The term does not include any sale of
28 malt or brewed beverages by a retail dispenser or any sale of
29 liquor or malt or brewed beverages by a person holding a
30 retail liquor license within the meaning of and pursuant to
31 the provisions of the Liquor Code, but shall include any sale
32 of liquor or malt or brewed beverages other than pursuant to
33 the provisions of the Liquor Code.

34 (11) The rendition for a consideration of lobbying
35 services.

36 (12) The rendition for a consideration of adjustment
37 services, collection services or credit reporting services.

38 (13) The rendition for a consideration of secretarial or
39 editing services.

40 (14) The rendition for a consideration of disinfecting
41 or pest control services, building maintenance or cleaning
42 services.

43 (15) The rendition for a consideration of employment
44 agency services or help supply services.

45 (16) (Reserved).

46 (17) The rendition for a consideration of lawn care
47 service.

48 (18) The rendition for a consideration of self-storage
49 service.

50 (19) The rendition for a consideration of a mobile
51 telecommunications service.

1 (20) Except as otherwise provided under section 704, the
2 rendition for a consideration of any service enumerated in
3 clause (dd) when the primary objective of the purchaser is
4 the receipt of any benefit of the service performed, as
5 distinguished from the receipt of property.

6 (l) "Storage." Any keeping or retention of tangible
7 personal property within this Commonwealth for any purpose
8 including the interim keeping, retaining or exercising any right
9 or power over such tangible personal property. This term is in
10 no way limited to the provision of self-storage service.

11 (m) "Tangible personal property." Corporeal personal
12 property including, but not limited to, goods, wares,
13 merchandise, steam and natural and manufactured and bottled gas
14 for non-residential use, electricity for non-residential use,
15 prepaid telecommunications, cable or video programming service,
16 spirituous or vinous liquor and malt or brewed beverages and
17 soft drinks, interstate telecommunications service originating
18 or terminating in this Commonwealth and charged to a service
19 address in this Commonwealth, intrastate telecommunications
20 service with the exception of:

21 (1) Subscriber line charges and basic local telephone
22 service for residential use.

23 (2) Charges for telephone calls paid for by inserting
24 money into a telephone accepting direct deposits of money to
25 operate, provided further, the service address of any
26 intrastate telecommunications service is deemed to be within
27 this Commonwealth or within a political subdivision,
28 regardless of how or where billed or paid.

29 In the case of any interstate or intrastate telecommunications
30 service, any charge paid through a credit or payment mechanism
31 which does not relate to a service address, such as a bank,
32 travel, credit or debit card, but not including prepaid
33 telecommunications, is deemed attributable to the address of
34 origination of the telecommunications service.

35 (n) "Taxpayer." Any person required to pay or collect the
36 tax imposed by this chapter.

37 (o) "Use."

38 (1) The exercise of any right or power incidental to the
39 ownership, custody or possession of tangible personal
40 property and includes, but is not limited to, transportation,
41 storage or consumption.

42 (2) The obtaining by a purchaser of the service of
43 printing or imprinting of tangible personal property when the
44 purchaser furnishes, either directly or indirectly, the
45 articles used in the printing or imprinting.

46 (3) The obtaining by a purchaser of the services of:

47 (i) washing, cleaning, waxing, polishing or
48 lubricating of motor vehicles regardless of whether any
49 tangible personal property is transferred to the
50 purchaser in conjunction with the services; and

51 (ii) inspecting motor vehicles pursuant to the

1 mandatory requirements of 75 Pa.C.S. (relating to
2 vehicles).

3 (4) The obtaining by a purchaser of the service of
4 repairing, altering, mending, pressing, fitting, dyeing,
5 laundering, drycleaning or cleaning tangible personal
6 property other than wearing apparel or shoes or applying or
7 installing tangible personal property as a repair or
8 replacement part of other tangible personal property,
9 including, but not limited to, wearing apparel or shoes,
10 regardless of whether the services are performed directly or
11 by any means other than by means of coin-operated self-
12 service laundry equipment for wearing apparel or household
13 goods, and regardless of whether any tangible personal
14 property is transferred to the purchaser in conjunction with
15 the activity, therewith, except such services are obtained in
16 the construction, reconstruction, remodeling, repair or
17 maintenance of real estate. The term "use" does not include:

18 (A) Any tangible personal property acquired and
19 kept, retained or over which power is exercised
20 within this Commonwealth on which the taxing of the
21 storage, use or other consumption thereof is
22 expressly prohibited by the Constitution of the
23 United States or which is excluded from tax under
24 other provisions of this chapter.

25 (B) The use or consumption of tangible personal
26 property, including, but not limited to, machinery
27 and equipment and parts therefor, and supplies or the
28 obtaining of the services described in subclauses
29 (2), (3) and (4) of this clause directly in the
30 operations of:

31 (i) The manufacture of tangible personal property.

32 (ii) Farming, dairying, agriculture, horticulture or
33 floriculture when engaged in as a business enterprise.
34 The term includes the propagation and raising of ranch-
35 raised furbearing animals and the propagation of game
36 birds for commercial purposes by holders of propagation
37 permits issued under 34 Pa.C.S. (relating to game) and
38 the propagation and raising of horses to be used
39 exclusively for commercial racing activities.

40 (iii) The producing, delivering or rendering of a
41 public utility service, or in constructing,
42 reconstructing, remodeling, repairing or maintaining the
43 facilities which are directly used in producing,
44 delivering or rendering such service.

45 (iv) Processing as defined in subclause (d).
46 The exclusions provided in subparagraphs (i), (ii), (iii)
47 and (iv) do not apply to any vehicle required to be
48 registered under 75 Pa.C.S. (relating to vehicles) except
49 those vehicles directly used by a public utility engaged
50 in the business as a common carrier; to maintenance
51 facilities; or to materials, supplies or equipment to be

1 used or consumed in the construction, reconstruction,
2 remodeling, repair or maintenance of real estate other
3 than directly used machinery, equipment, parts or
4 foundations therefor that may be affixed to such real
5 estate. The exclusions provided in subparagraphs (i),
6 (ii), (iii) and this subparagraph do not apply to
7 tangible personal property or services to be used or
8 consumed in managerial sales or other nonoperational
9 activities, nor to the purchase or use of tangible
10 personal property or services by any person other than
11 the person directly using the same in the operations
12 described in subparagraphs (i), (ii), (iii) and this
13 subparagraph. The exclusion provided in subparagraph
14 (iii) does not apply to:

15 (A) construction materials, supplies or
16 equipment used to construct, reconstruct, remodel,
17 repair or maintain facilities not used directly by
18 the purchaser in the production, delivering or
19 rendition of public utility service; or

20 (B) tools and equipment used but not installed
21 in the maintenance of facilities used directly in the
22 production, delivering or rendition of a public
23 utility service.

24 The exclusion provided in subparagraphs (i), (ii), (iii)
25 and this subparagraph does not apply to the services
26 enumerated in clauses (9) through (16) and (w) through
27 (kk), except that the exclusion provided in subparagraph
28 (ii) for farming, dairying and agriculture shall apply to
29 the service enumerated in clause (z).

30 (5) Where tangible personal property or services are
31 utilized for purposes constituting a use, and for purposes
32 excluded from the definition of "use," it shall be presumed
33 that the property or services are utilized for purposes
34 constituting a sale at retail and subject to tax unless the
35 user proves to the department that the predominant purposes
36 for which the property or services are utilized do not
37 constitute a sale at retail.

38 (6) The term, with respect to liquor and malt or brewed
39 beverages, includes the purchase of liquor from any
40 Pennsylvania Liquor Store by any person for any purpose and
41 the purchase of malt or brewed beverages from a manufacturer
42 of malt or brewed beverages, distributor or importing
43 distributor by any person for any purpose, except purchases
44 from a manufacturer of malt or brewed beverages by a
45 distributor or importing distributor, or purchases from an
46 importing distributor by a distributor within the meaning of
47 the act of April 12, 1951 (P.L.90, No.21), known as the
48 Liquor Code. The term does not include any purchase of malt
49 or brewed beverages from a retail dispenser or any purchase
50 of liquor or malt or brewed beverages from a person holding a
51 retail liquor license within the meaning of and pursuant to

1 the provisions of the Liquor Code, but includes the exercise
2 of any right or power incidental to the ownership, custody or
3 possession of liquor or malt or brewed beverages obtained by
4 the person exercising the right or power in any manner other
5 than pursuant to the provisions of the Liquor Code.

6 (7) The use of tangible personal property purchased at
7 retail on which the services described in subclauses (2), (3)
8 and (4) of this clause have been performed shall be deemed to
9 be a use of said services by the person using the property.

10 (8) (Reserved).

11 (9) The obtaining by the purchaser of lobbying services.

12 (10) The obtaining by the purchaser of adjustment
13 services, collection services or credit reporting services.

14 (11) The obtaining by the purchaser of secretarial or
15 editing services.

16 (12) The obtaining by the purchaser of disinfecting or
17 pest control services, building maintenance or cleaning
18 services.

19 (13) The obtaining by the purchaser of employment agency
20 services or help supply services.

21 (14) (Reserved).

22 (15) The obtaining by the purchaser of lawn care
23 service.

24 (16) The obtaining by the purchaser of self-storage
25 service.

26 (17) The obtaining by a construction contractor of
27 tangible personal property or services provided to tangible
28 personal property which will be used pursuant to a
29 construction contract regardless of whether the tangible
30 personal property or services are transferred.

31 (18) The obtaining of mobile telecommunications service
32 by a customer.

33 (19) Except as otherwise provided under section 704, the
34 obtaining by the purchaser of any service enumerated in
35 clause (dd) when the primary objective of the purchaser is
36 the receipt of any benefit of the service performed, as
37 distinguished from the receipt of property.

38 (p) "Vendor." Any person maintaining a place of business in
39 this Commonwealth, selling or leasing tangible personal
40 property, or rendering services, the sale or use of which is
41 subject to the tax imposed by this chapter but not including any
42 employee who in the ordinary scope of employment renders
43 services to his employer in exchange for wages and salaries.

44 (q) "NAICS." The 2012 North American Industry
45 Classification System developed by the Federal Office of
46 Management and Budget and published at 76 Fed. Reg. 159 (Aug.
47 17, 2011) or its successor revision.

48 (r) "Gratuity." Any amount paid or remitted for services
49 performed in conjunction with any sale of food or beverages, or
50 hotel or motel accommodations which amount is in excess of the
51 charges and the tax for such food, beverages or accommodations

1 regardless of the method of billing or payment.

2 (s) "Commercial aircraft operator." A person, excluding a
3 scheduled airline who engages in any or all of the following:
4 charter of aircraft, leasing of aircraft, aircraft sales,
5 aircraft rental, flight instruction, air freight or any other
6 flight activities for compensation.

7 (t) "Transient vendor."

8 (1) Any person who:

9 (i) brings into this Commonwealth, by automobile,
10 truck or other means of transportation, or purchases in
11 this Commonwealth tangible personal property the sale or
12 use of which is subject to the tax imposed by this
13 chapter or comes into this Commonwealth to perform
14 services the sale or use of which is subject to the tax
15 imposed by this chapter;

16 (ii) offers or intends to offer the tangible
17 personal property or services for sale at retail within
18 this Commonwealth; and

19 (iii) does not maintain an established office,
20 distribution house, saleshouse, warehouse, service
21 enterprise, residence from which business is conducted or
22 other place of business within this Commonwealth.

23 (2) The term does not include a person who delivers
24 tangible personal property within this Commonwealth pursuant
25 to orders for the property which were solicited or placed by
26 mail or other means.

27 (3) The term does not include a person who handcrafts
28 items for sale at special events, including, but not limited
29 to, fairs, carnivals, art and craft shows and other festivals
30 and celebrations within this Commonwealth.

31 (u) "Promoter." A person who either, directly or
32 indirectly, rents, leases or otherwise operates or grants
33 permission to any person to use space at a show for the display
34 for sale or for the sale of tangible personal property or
35 services subject to tax under section 702.

36 (v) "Show." An event, the primary purpose of which involves
37 the display or exhibition of any tangible personal property or
38 services for sale, including, but not limited to, a flea market,
39 antique show, coin show, stamp show, comic book show, hobby
40 show, automobile show, fair or any similar show, whether held
41 regularly or of a temporary nature, at which more than one
42 vendor displays for sale or sells tangible personal property or
43 services subject to tax under section 702.

44 (w) "Lobbying services." Providing the services of a
45 lobbyist, as defined in the definition of "lobbyist" in 65
46 Pa.C.S. Ch. 13A (relating to lobbying disclosure).

47 (x) "Adjustment services, collection services or credit
48 reporting services." Providing collection or adjustments of
49 accounts receivable or mercantile or consumer credit reporting,
50 including, but not limited to, services of the type provided by
51 adjustment bureaus or collection agencies, consumer or

1 mercantile credit reporting bureaus, credit bureaus or agencies,
2 credit clearinghouses or credit investigation services. The term
3 does not include providing credit card service with collection
4 by a central agency, providing debt counseling or adjustment
5 services to individuals or billing or collection services
6 provided by local exchange telephone companies.

7 (y) "Secretarial or editing services." Providing services
8 which include, but are not limited to, editing, letter writing,
9 proofreading, resume writing, typing or word processing. The
10 term does not include court reporting and stenographic services.

11 (z) "Disinfecting or pest control services." Providing
12 disinfecting, termite control, insect control, rodent control or
13 other pest control services. The term includes, but is not
14 limited to, deodorant servicing of rest rooms, washroom
15 sanitation service, rest room cleaning service, extermination
16 service or fumigating service. As used in this clause, the term
17 "fumigating service" does not include the fumigation of
18 agricultural commodities or containers used for agricultural
19 commodities. As used in this clause, the term "insect control"
20 does not include the gypsy moth control spraying of trees which
21 are harvested for commercial purposes.

22 (aa) "Building maintenance or cleaning services." Providing
23 services which include, but are not limited to, janitorial, maid
24 or housekeeping service, office or interior building cleaning or
25 maintenance service, window cleaning service, floor waxing
26 service, lighting maintenance service such as bulb replacement,
27 cleaning, chimney cleaning service, acoustical tile cleaning
28 service, venetian blind cleaning, cleaning and maintenance of
29 telephone booths or cleaning and degreasing of service stations.
30 The term does not include: repairs on buildings and other
31 structures; the maintenance or repair of boilers, furnaces and
32 residential air conditioning equipment or their parts; the
33 painting, wallpapering or applying other like coverings to
34 interior walls, ceilings or floors; or the exterior painting of
35 buildings.

36 (bb) "Employment agency services." Providing employment
37 services to a prospective employer or employee other than
38 employment services provided by theatrical employment agencies
39 and motion picture casting bureaus. The term includes, but is
40 not limited to, services of the type provided by employment
41 agencies, executive placing services and labor contractor
42 employment agencies other than farm labor.

43 (cc) "Help supply services." Providing temporary or
44 continuing help where the help supplied is on the payroll of the
45 supplying person or entity, but is under the supervision of the
46 individual or business to which help is furnished. The term
47 includes, but is not limited to, service of a type provided by
48 labor and manpower pools, employee leasing services, office help
49 supply services, temporary help services, usher services,
50 modeling services or fashion show model supply services. The
51 term does not include: providing farm labor services or human

1 health-related services, including nursing, home health care and
2 personal care. As used in this clause, "personal care" shall
3 include providing at least one of the following types of
4 assistance to persons with limited ability for self-care:

- 5 (1) dressing, bathing or feeding;
- 6 (2) supervising self-administered medication;
- 7 (3) transferring a person to or from a bed or
8 wheelchair; or
- 9 (4) routine housekeeping chores when provided in
10 conjunction with and supplied by the same provider of the
11 assistance listed in subclause (1), (2) or (3).

12 (dd) "NAICS taxable services." Any service performed in
13 this Commonwealth as defined in the following subsectors and
14 industries of the revised 2012 NAICS developed by the Federal
15 Office of Management and Budget and published at 76 Fed. Reg.
16 159 (Aug. 17, 2011) or its successor revision:

- 17 481, for intrastate transport of persons
- 18 482, for intrastate transport of persons
- 19 483, for intrastate transport of persons
- 20 4851, for intrastate transport of persons
- 21 4852, for intrastate transport of persons
- 22 4853, for intrastate transport of persons
- 23 4855, for intrastate transport of persons
- 24 4859, for intrastate transport of persons
- 25 487
- 26 48841
- 27 5111
- 28 5112
- 29 5121
- 30 512131
- 31 512132
- 32 523930
- 33 541
- 34 5611
- 35 5612
- 36 5613
- 37 5614
- 38 5615
- 39 5619
- 40 5621

41 Nontuition and non-housing-related charges imposed by the
42 following industries: 6112, 6113, 6114, 6115 and 6116

43 6216, 6219, 6231, 6232, 6233, 6239, 6241, 6242, 6243,
44 unless provided by a nonprofit organization
45 6244

46 7111, unless imposed by industry 611110 or a nonprofit
47 corporation or nonprofit unincorporated association under the
48 laws of this Commonwealth or the United States or any entity
49 that is authorized to do business in this Commonwealth as a
50 nonprofit corporation or unincorporated association under the
51 laws of this Commonwealth, including a youth or athletic,

1 volunteer fire, ambulance, religious, charitable, fraternal,
2 veterans or civic association or any separately chartered
3 auxiliary of the foregoing and operated on a nonprofit basis
4 7112, unless imposed by industry 611110 or a nonprofit
5 corporation or nonprofit unincorporated association under the
6 laws of this Commonwealth or the United States or any entity
7 that is authorized to do business in this Commonwealth as a
8 nonprofit corporation or unincorporated association under the
9 laws of this Commonwealth, including a youth or athletic,
10 volunteer fire, ambulance, religious, charitable, fraternal,
11 veterans or civic association or any separately chartered
12 auxiliary of the foregoing and operated on a nonprofit basis

13 7113
14 7114
15 712
16 7131
17 7139
18 7212
19 7224
20 8121
21 8122
22 8123
23 8129

24 (ee) (Reserved).

25 (ff) (Reserved).

26 (gg) (Reserved).

27 (hh) (Reserved).

28 (ii) (Reserved).

29 (jj) "Lawn care service." Providing services for lawn
30 upkeep, including, but not limited to, fertilizing, lawn mowing,
31 shrubbery trimming or other lawn treatment services.

32 (kk) "Self-storage service." Providing a building, a room
33 in a building or a secured area within a building with separate
34 access provided for each purchaser of self-storage service,
35 primarily for the purpose of storing personal property. The term
36 does not include service involving:

37 (1) safe deposit boxes by financial institutions;
38 (2) storage in refrigerator or freezer units;
39 (3) storage in commercial warehouses;
40 (4) facilities for goods distribution; and
41 (5) lockers in airports, bus stations, museums and other
42 public places.

43 (ll) "Cable or video programming service." Cable television
44 services, video programming services, community antenna
45 television services or any other distribution of television,
46 video, audio or radio services which is transmitted with or
47 without the use of wires to purchasers.

48 If a purchaser receives or agrees to receive cable or video
49 programming service, then the following charges are included in
50 the purchase price: charges for installation or repair of any
51 cable or video programming service, upgrade to include

1 additional premium cable or premium video programming service,
2 downgrade to exclude all or some premium cable or premium video
3 programming service, additional cable outlets in excess of ten
4 or any other charge or fee related to cable or video programming
5 services. The term does not apply to: transmissions by public
6 television, public radio services or official Federal, State or
7 local government cable services; local origination programming
8 which provides a variety of public service programs unique to
9 the community, programming which provides coverage of public
10 affairs issues which are presented without commentary or
11 analysis, including United States Congressional proceedings, or
12 programming which is substantially related to religious
13 subjects; or subscriber charges for access to a video dial tone
14 system or charges by a common carrier to a video programmer for
15 the transport of video programming.

16 (mm) (Reserved).

17 (nn) "Construction contract." A written or oral contract or
18 agreement for the construction, reconstruction, remodeling,
19 renovation or repair of real estate or a real estate structure.
20 The term shall not apply to services which are taxable under
21 clauses (k) (14) and (17) and (o) (12) and (15).

22 (oo) "Construction contractor." A person who performs an
23 activity pursuant to a construction contract, including a
24 subcontractor.

25 (pp) "Building machinery and equipment." Generation
26 equipment, storage equipment, conditioning equipment,
27 distribution equipment and termination equipment, limited to the
28 following:

- 29 (1) air conditioning limited to heating, cooling,
30 purification, humidification, dehumidification and
31 ventilation;
- 32 (2) electrical;
- 33 (3) plumbing;
- 34 (4) communications limited to voice, video, data, sound,
35 master clock and noise abatement;
- 36 (5) alarms limited to fire, security and detection;
- 37 (6) control system limited to energy management, traffic
38 and parking lot and building access;
- 39 (7) medical system limited to diagnosis and treatment
40 equipment, medical gas, nurse call and doctor paging;
- 41 (8) laboratory system;
- 42 (9) cathodic protection system; or
- 43 (10) furniture, cabinetry and kitchen equipment.

44 The term includes boilers, chillers, air cleaners, humidifiers,
45 fans, switchgear, pumps, telephones, speakers, horns, motion
46 detectors, dampers, actuators, grills, registers, traffic
47 signals, sensors, card access devices, guardrails, medial
48 devices, floor troughs and grates and laundry equipment,
49 together with integral coverings and enclosures, regardless of
50 whether: the item constitutes a fixture or is otherwise affixed
51 to the real estate; damage would be done to the item or its

1 surroundings on removal; or the item is physically located
2 within a real estate structure. The term does not include
3 guardrail posts, pipes, fittings, pipe supports and hangers,
4 valves, underground tanks, wire, conduit, receptacle and
5 junction boxes, insulation, ductwork and coverings.

6 (qq) "Real estate structure." A structure or item purchased
7 by a construction contractor pursuant to a construction contract
8 with:

9 (1) a charitable organization, a volunteer firemen's
10 organization, a nonprofit educational institution or a
11 religious organization for religious purposes and which
12 qualifies as an institution of purely public charity under
13 the act of November 26, 1997 (P.L.508, No.55), known as the
14 Institutions of Purely Public Charity Act;

15 (2) the United States; or

16 (3) the Commonwealth, its instrumentalities or political
17 subdivisions.

18 The term includes building machinery and equipment; developed or
19 undeveloped land; streets; roads; highways; parking lots;
20 stadiums and stadium seating; recreational courts; sidewalks;
21 foundations; structural supports; walls; floors; ceilings;
22 roofs; doors; canopies; millwork; elevators; windows and
23 external window coverings; outdoor advertising boards or signs;
24 airport runways; bridges; dams; dikes; traffic control devices,
25 including traffic signs; satellite dishes; antennas; guardrail
26 posts; pipes; fittings; pipe supports and hangers; valves;
27 underground tanks; wire; conduit; receptacle and junction boxes;
28 insulation; ductwork and coverings; and any structure or item
29 similar to any of the foregoing, regardless of whether the
30 structure or item constitutes a fixture or is affixed to the
31 real estate; or damage would be done to the structure or item or
32 its surroundings on removal.

33 (rr) "Telecommunications service." Any one-way transmission
34 or any two-way, interactive transmission of sounds, signals or
35 other intelligence converted to like form which effects or is
36 intended to effect meaningful communications by electronic or
37 electromagnetic means via wire, cable, satellite, light waves,
38 microwaves, radio waves or other transmission media. The term
39 includes all types of telecommunication transmissions, local,
40 toll, wide-area or any other type of telephone service; private
41 line service; telegraph service; radio repeater service;
42 wireless communication service; personal communications system
43 service; cellular telecommunication service; specialized mobile
44 radio service; stationary two-way radio service; and paging
45 service. The term does not include any of the following:

46 (1) Subscriber charges for access to a video dial tone
47 system.

48 (2) Charges to video programmers for the transport of
49 video programming.

50 (3) Charges for access to the Internet. Access to the
51 Internet does not include any of the following:

1 (i) The transport over the Internet or any
2 proprietary network using the Internet protocol of
3 telephone calls, facsimile transmissions or other
4 telecommunications traffic to or from end users on the
5 public switched telephone network if the signal sent from
6 or received by an end user is not in an Internet
7 protocol.

8 (ii) Telecommunication services purchased by an
9 Internet service provider to deliver access to the
10 Internet to its customers.

11 (4) Mobile telecommunications services.

12 (ss) "Internet." The international nonproprietary computer
13 network of both Federal and non-Federal interoperable packet
14 switched data networks.

15 (tt) "Commercial racing activities." Any of the following:

16 (1) Thoroughbred and harness racing at which pari-mutuel
17 wagering is conducted under the act of December 17, 1981
18 (P.L.435, No.135), known as the Race Horse Industry Reform
19 Act.

20 (2) Fair racing sanctioned by the State Harness Racing
21 Commission.

22 (uu) "Prepaid telecommunications." A tangible item
23 containing a prepaid authorization number that can be used
24 solely to obtain telecommunications service, including any
25 renewal or increases in the prepaid amount.

26 (vv) "Prebuilt housing." Either of the following:

27 (1) Manufactured housing, including mobile homes, which
28 bears a label as required by and referred to in the act of
29 November 17, 1982 (P.L.676, No.192), known as the
30 Manufactured Housing Construction and Safety Standards
31 Authorization Act.

32 (2) Industrialized housing as defined in the act of May
33 11, 1972 (P.L.286, No.70), known as the Industrialized
34 Housing Act.

35 (ww) "Used prebuilt housing." Prebuilt housing that was
36 previously subject to a sale to a prebuilt housing purchaser.

37 (xx) "Prebuilt housing builder." A person who makes a
38 prebuilt housing sale to a prebuilt housing purchaser.

39 (yy) "Prebuilt housing sale." A sale of prebuilt housing to
40 a prebuilt housing purchaser, including a sale to a landlord,
41 without regard to whether the person making the sale is
42 responsible for installing the prebuilt housing or whether the
43 prebuilt housing becomes a real estate structure upon
44 installation. Temporary installation by a prebuilt housing
45 builder for display purposes of a unit held for resale shall not
46 be considered occupancy for residential purposes.

47 (zz) "Prebuilt housing purchaser." A person who purchases
48 prebuilt housing in a transaction and who intends to occupy the
49 unit for residential purposes in this Commonwealth.

50 (aaa) "Mobile telecommunications service." Mobile
51 telecommunications service as that term is defined in the Mobile

1 Telecommunications Sourcing Act (Public Law 106-252, 4 U.S.C. §
2 116 et seq.).

3 (bbb) "Fiscal Code." The act of April 9, 1929 (P.L.343,
4 No.176), known as The Fiscal Code.

5 (ccc) "Prepaid mobile telecommunications service." Mobile
6 telecommunications service which is paid for in advance and
7 which enables the origination of calls using an access number,
8 authorization code or both, regardless of whether manually or
9 electronically dialed, if the remaining amount of units of the
10 prepaid mobile telecommunications service is known by the
11 service provider of the prepaid mobile telecommunications
12 service on a continuous basis. The term does not include the
13 advance purchase of mobile telecommunications service if the
14 purchase is pursuant to a service contract between the service
15 provider and customer and if the service contract requires the
16 customer to make periodic payments to maintain the mobile
17 telecommunications service.

18 (ddd) (Reserved).

19 (eee) "Dental services." The general and usual services
20 rendered and care administered by doctors of dental medicine or
21 doctors of dental surgery, as defined in the act of May 1, 1933
22 (P.L.216, No.76), known as The Dental Law.

23 (fff) "Physician services." The general and usual services
24 rendered and care administered by medical doctors, as defined in
25 the act of December 20, 1985 (P.L.457, No.112), known as the
26 Medical Practice Act of 1985, or doctors of osteopathy, as
27 defined in the act of October 5, 1978 (P.L.1109, No.261), known
28 as the Osteopathic Medical Practice Act.

29 (ggg) "Clothing." All vesture, wearing apparel, raiments,
30 garments, footwear and other articles of clothing, including
31 clothing patterns and items that are to be a component part of
32 clothing, worn or carried on or about the human body including,
33 but not limited to, all accessories, ornamental wear, formal day
34 or evening apparel and articles made of fur on the hide or pelt
35 or any material imitative of fur and articles of which such fur,
36 real, imitation or synthetic, is the component material of chief
37 value, but only if such value is more than three times the value
38 of the next most valuable component material, and sporting goods
39 and clothing not normally used or worn when not engaged in
40 sports.

41 (hhh) "Food and beverages." All food and beverages for
42 human consumption.

43 SUBCHAPTER B

44 SALES AND USE TAX

45 Section 702. Imposition of tax.

46 (a) Tax on certain sales at retail and uses of tangible
47 personal property and services.--

48 (1) There is hereby imposed on each separate sale at
49 retail of tangible personal property or services in this
50 Commonwealth a tax of 7% of the purchase price, which tax
51 shall be collected by the vendor from the purchaser, and

1 shall be paid over to the Commonwealth as provided in this
2 chapter.

3 (2) There is hereby imposed on the use in this
4 Commonwealth of tangible personal property purchased at
5 retail and on those services purchased at retail a tax of 7%
6 of the purchase price, which tax shall be paid to the
7 Commonwealth by the person who makes such use as provided
8 under this chapter, except that the tax shall not be paid to
9 the Commonwealth by the person where the person has paid the
10 tax imposed by paragraph (1) or has paid the tax imposed by
11 this subsection to the vendor with respect to the use.

12 (b) General sourcing rules.--

13 (1) All sales of products shall be sourced according to
14 this subsection by sellers obligated to collect sales and use
15 tax under this chapter. The sourcing rules described in this
16 subsection apply to sales of tangible personal property,
17 digital goods and all services other than telecommunications
18 services. This subsection only applies to determine a
19 seller's obligation to pay or collect and remit a sales or
20 use tax with respect to the seller's sale of a product. This
21 subsection does not affect the obligation of a purchaser or
22 lessee to remit tax on the use of the product to the taxing
23 jurisdictions in which the use occurs. A seller's obligation
24 to collect sales tax or use tax under this chapter only
25 occurs if the sale is sourced to this State. Whether sales
26 tax to a sale source to the Commonwealth shall be determined
27 based on the location at which the sale is consummated by
28 delivery or, in the case of a service, where the first use of
29 the service occurs.

30 (2) Sales, excluding leases or rental, of products shall
31 be sourced as follows:

32 (i) When the product is received by the purchaser at
33 a business location of the seller, the sale is sourced to
34 that business location.

35 (ii) When the product is not received by the
36 purchaser at a business location of the seller, the sale
37 is sourced to the location where receipt by the purchaser
38 or the purchaser's donee, designated such by the
39 purchaser, occurs, including the location indicated by
40 instructions for delivery to the purchaser or donee,
41 known to the seller.

42 (iii) When subparagraphs (i) and (ii) do not apply,
43 the sale is sourced to the location indicated by an
44 address for the purchaser that is available from the
45 business records of the seller that are maintained in the
46 ordinary course of the seller's business when use of this
47 address does not constitute bad faith.

48 (iv) When subparagraphs (i), (ii) and (iii) do not
49 apply, the sale is sourced to the location indicated by
50 an address for the purchaser obtained during the
51 consummation of the sale, including the address of a

1 purchaser's payment instrument, if no other address is
2 available, when use of this address does not constitute
3 bad faith.

4 (v) When subparagraphs (i), (ii), (iii) and (iv) do
5 not apply, including the circumstance where the seller is
6 without sufficient information to apply the previous
7 rules, when the location will be determined by the
8 address from which tangible personal property was
9 shipped, from which the digital good or the computer
10 software delivered electronically was first available for
11 transmission by the seller or from which the service was
12 provided disregarding for these purposes any location
13 that merely provided the digital transfer of the product
14 sold.

15 (c) Telecommunications service.--

16 (1) Notwithstanding any other provisions of this
17 chapter, the tax with respect to telecommunications service
18 within the meaning of "tangible personal property" in section
19 701 shall be computed at the rate of 7% on the total amount
20 charged to customers for the services, irrespective of
21 whether such charge is based on a flat rate or on a message
22 unit charge.

23 (2) A telecommunications service provider shall have no
24 responsibility or liability to the Commonwealth for billing,
25 collecting or remitting taxes that apply to services,
26 products or other commerce sold over telecommunications lines
27 by third-party vendors.

28 (3) To prevent actual multistate taxation of interstate
29 telecommunications service, any taxpayer, on proof that the
30 taxpayer has paid a similar tax to another state on the same
31 interstate telecommunications service, shall be allowed a
32 credit against the tax imposed by this section on the same
33 interstate telecommunications service to the extent of the
34 amount of the tax properly due and paid to the other state.

35 (4) With respect to interstate telecommunications
36 services, only services for interstate telecommunications
37 which originate or are terminated in this Commonwealth and
38 which are billed and charged to a service address in this
39 Commonwealth shall be presumed to have been performed
40 completely in this Commonwealth and shall be subject to tax
41 under this chapter.

42 (d) Coin-operated vending machines.--Notwithstanding any
43 other provisions of this chapter, the sale or use of food and
44 beverages dispensed by means of coin-operated vending machines
45 shall be taxed at the rate of 7% of the receipts collected from
46 any coin-operated vending machine which dispenses food and
47 beverages.

48 (e) Prepaid telecommunications.--

49 (1) Notwithstanding any provisions of this chapter, the
50 sale or use of prepaid telecommunications evidenced by the
51 transfer of tangible personal property shall be subject to

1 the tax imposed by subsection (a).

2 (2) The sale or use of prepaid telecommunications not
3 evidenced by the transfer of tangible personal property shall
4 be subject to the tax imposed by subsection (a) and shall be
5 deemed to occur at the purchaser's billing address.

6 (3) (i) Notwithstanding paragraph (2), the sale or use
7 of prepaid telecommunications service not evidenced by
8 the transfer of tangible personal property shall be taxed
9 at the rate of 7% of the receipts collected on each sale
10 if the service provider elects to collect the tax imposed
11 by this chapter on receipts of each sale.

12 (ii) The service provider shall notify the
13 department of its election and shall collect the tax on
14 receipts of each sale until the service provider notifies
15 the department otherwise.

16 (e.1) Prepaid mobile telecommunications service.--

17 (1) Notwithstanding any other provision of this chapter,
18 the sale or use of prepaid mobile telecommunications service
19 evidenced by the transfer of tangible personal property shall
20 be subject to the tax imposed by subsection (a).

21 (2) The sale or use of prepaid mobile telecommunications
22 service not evidenced by the transfer of tangible personal
23 property shall be subject to the tax imposed by subsection
24 (a) and shall be deemed to occur at the purchaser's billing
25 address or the location associated with the mobile telephone
26 number or the point of sale, whichever is applicable.

27 (3) (i) Notwithstanding paragraph (2), the sale or use
28 of prepaid mobile telecommunications service not
29 evidenced by the transfer of tangible personal property
30 shall be taxed at the rate of 7% of the receipts
31 collected on each sale if the service provider elects to
32 collect the tax imposed by this chapter on receipts of
33 each sale.

34 (ii) The service provider shall notify the
35 department of its election and shall collect the tax on
36 receipts of each sale until the service provider notifies
37 the department otherwise.

38 (f) Prebuilt housing.--

39 (1) Notwithstanding any other provision of this chapter,
40 tax with respect to sales of prebuilt housing shall be
41 imposed on the prebuilt housing builder at the time of the
42 prebuilt housing sale within this Commonwealth and shall be
43 paid and reported by the prebuilt housing builder to the
44 department in the time and manner provided in this chapter.

45 (2) A manufacturer of prebuilt housing may, at its
46 option, precollect the tax from the prebuilt housing builder
47 at the time of sale to the prebuilt housing builder.

48 (3) In any case where prebuilt housing is purchased and
49 the tax is not paid by the prebuilt housing builder or
50 precollected by the manufacturer, the prebuilt housing
51 purchaser shall remit tax directly to the department if the

1 prebuilt housing is used in this Commonwealth without regard
2 to whether the prebuilt housing becomes a real estate
3 structure.

4 (g) Home service providers.--

5 (1) Notwithstanding any other provisions of this chapter
6 and in accordance with the Mobile Telecommunications Sourcing
7 Act (Public Law 106-252, 4 U.S.C. § 116 et seq.), the sale or
8 use of mobile telecommunications services which are deemed to
9 be provided to a customer by a home service provider under 4
10 U.S.C. § 117 (relating to sourcing rules) shall be subject to
11 the tax of 7% of the purchase price, which tax shall be
12 collected by the home service provider from the customer, and
13 shall be paid over to the Commonwealth as provided in this
14 chapter if the customer's place of primary use is located
15 within this Commonwealth, regardless of where the mobile
16 telecommunications services originate, terminate or pass
17 through.

18 (2) For purposes of this subsection, words and phrases
19 used in this subsection shall have the same meanings given to
20 them in the Mobile Telecommunications Sourcing Act.

21 Section 703. Computation of tax.

22 (a) General rule.--The amount of tax imposed by section 702
23 shall be computed as follows:

24 (1) If the purchase price is 7¢ or less, no tax shall be
25 collected.

26 (2) If the purchase price is 8¢ or more but less than
27 22¢, 1¢ shall be collected.

28 (3) If the purchase price is 22¢ or more but less than
29 36¢, 2¢ shall be collected.

30 (4) If the purchase price is 36¢ or more but less than
31 50¢, 3¢ shall be collected.

32 (5) If the purchase price is 50¢ or more but less than
33 65¢, 4¢ shall be collected.

34 (6) If the purchase price is 65¢ or more but less than
35 79¢, 5¢ shall be collected.

36 (7) If the purchase price is 79¢ or more but less than
37 93¢, 6¢ shall be collected.

38 (8) If the purchase price is 93¢ or more but less than
39 \$1.07, seven percent of each dollar of purchase price plus
40 the above tax bracket charges upon any fractional part of a
41 dollar in excess of even dollars shall be collected.

42 (b) Deposit into Education Stabilization Fund.--The tax
43 collected under section 702 shall be deposited into the
44 Education Stabilization Fund.

45 SUBCHAPTER C

46 EXCLUSIONS FROM SALES AND USE TAX

47 Section 704. Exclusions from tax.

48 The tax imposed by section 702 shall not be imposed upon any
49 of the following:

50 (1) The sale at retail or use of tangible personal
51 property (other than motor vehicles, trailers, semi-trailers,

1 motor boats, aircraft or other similar tangible personal
2 property required under either Federal law or laws of this
3 Commonwealth to be registered or licensed) or services sold
4 by or purchased from a person not a vendor in an isolated
5 transaction or sold by or purchased from a person who is a
6 vendor but is not a vendor with respect to the tangible
7 personal property or services sold or purchased in such
8 transaction, provided that inventory and stock in trade so
9 sold or purchased shall not be excluded from the tax by the
10 provisions of this subsection.

11 (2) The use of tangible personal property purchased by a
12 nonresident person outside of, and brought into this
13 Commonwealth for use therein for a period not to exceed seven
14 days, or for any period of time when such nonresident is a
15 tourist or vacationer and, in either case not consumed within
16 the Commonwealth.

17 (3) (i) The use of tangible personal property purchased
18 outside this Commonwealth for use outside this
19 Commonwealth by a then nonresident natural person or a
20 business entity not actually doing business within this
21 Commonwealth, who later brings the tangible personal
22 property into this Commonwealth in connection with the
23 person's or entity's establishment of a permanent
24 business or residence in this Commonwealth, provided that
25 the property was purchased more than six months prior to
26 the date it was first brought into this Commonwealth or
27 prior to the establishment of the business or residence,
28 whichever first occurs.

29 (ii) This paragraph shall not apply to tangible
30 personal property temporarily brought into this
31 Commonwealth for the performance of contracts for the
32 construction, reconstruction, remodeling, repairing and
33 maintenance of real estate.

34 (4) (Reserved).

35 (5) The sale at retail or use of steam, natural and
36 manufactured and bottled gas, fuel oil or electricity when
37 purchased directly by the user solely for the user's own
38 residential use.

39 (6) (Reserved).

40 (7) (Reserved).

41 (8) (Reserved).

42 (9) (Reserved).

43 (10) (i) The sale at retail to or use by any charitable
44 organization, volunteer firefighters' organization or
45 nonprofit educational institution or a religious
46 organization for religious purposes of tangible personal
47 property or services other than pursuant to a
48 construction contract.

49 (ii) This paragraph shall not apply with respect to
50 any tangible personal property or services used in any
51 unrelated trade or business carried on by the

1 organization or institution or with respect to any
2 materials, supplies and equipment used and transferred to
3 the organization or institution in the construction,
4 reconstruction, remodeling, renovation, repairs and
5 maintenance of any real estate structure, other than
6 building machinery and equipment, except materials and
7 supplies when purchased by the organization or
8 institution for routine maintenance and repairs.

9 (11) The sale at retail, or use of gasoline and other
10 motor fuels, the sales of which are otherwise subject to
11 excise taxes under 75 Pa.C.S. Ch. 90 (relating to liquid
12 fuels and fuels tax).

13 (12) (i) The sale at retail to, or use by the United
14 States, this Commonwealth or its instrumentalities or
15 political subdivisions, nonpublic schools, charter
16 schools, cyber charter schools or vocational schools of
17 tangible personal property or services.

18 (ii) This paragraph includes the sale at retail to a
19 supervisor of a home education program of tangible
20 personal property or services used exclusively for the
21 home education program.

22 (iii) As used in this paragraph, the terms
23 "nonpublic school," "charter school," "cyber charter
24 school," "vocational school," "supervisor" and "home
25 education program" shall have the meanings given to them
26 in the Public School Code of 1949.

27 (13) The sale at retail, or use of wrapping paper,
28 wrapping twine, bags, cartons, tape, rope, labels,
29 nonreturnable containers and all other wrapping supplies,
30 when such use is incidental to the delivery of any personal
31 property, except that any charge for wrapping or packaging
32 shall be subject to tax at the rate imposed by section 702.

33 (14) Sale at retail or use of vessels designed for
34 commercial use of registered tonnage of 50 tons or more when
35 produced by the builders thereof upon special order of the
36 purchaser.

37 (15) Sale at retail of tangible personal property or
38 services used or consumed in building, rebuilding, repairing
39 and making additions to or replacements in and upon vessels
40 designed for commercial use of registered tonnage of 50 tons
41 or more upon special order of the purchaser, or when rebuilt,
42 repaired or enlarged, or when replacements are made upon
43 order of or for the account of the owner.

44 (16) The sale at retail or use of tangible personal
45 property or services to be used or consumed for ship cleaning
46 or maintenance or as fuel, supplies, ships' equipment, ships'
47 stores or sea stores on vessels designed for commercial use
48 of registered tonnage of 50 tons or more to be operated
49 principally outside the limits of this Commonwealth.

50 (17) The sale at retail or use of prescription
51 medicines, drugs or medical supplies, crutches and

1 wheelchairs for the use of persons with disabilities and
2 invalids, artificial limbs, artificial eyes and artificial
3 hearing devices when designed to be worn on the person of the
4 purchaser or user, false teeth and materials used by a
5 dentist in dental treatment, eyeglasses when especially
6 designed or prescribed by an ophthalmologist, oculist or
7 optometrist for the personal use of the owner or purchaser
8 and artificial braces and supports designed solely for the
9 use of persons with disabilities or any other therapeutic,
10 prosthetic or artificial device designed for the use of a
11 particular individual to correct or alleviate a physical
12 incapacity, including, but not limited to, hospital beds,
13 iron lungs and kidney machines.

14 (18) The sale at retail or use of coal.

15 (19) (Reserved).

16 (20) (Reserved).

17 (21) (Reserved).

18 (22) (Reserved).

19 (23) (Reserved).

20 (24) The sale at retail or use of motor vehicles,
21 trailers and semitrailers, or bodies attached to the chassis
22 thereof, sold to a nonresident of this Commonwealth to be
23 used outside this Commonwealth and which are registered in a
24 state other than this Commonwealth within 20 days after
25 delivery to the vendee.

26 (25) The sale at retail or use of water.

27 (26) The sale at retail or use of clothing as defined in
28 section 701(ggg) with a purchase price of less than \$50.

29 (27) (Reserved).

30 (28) (Reserved).

31 (29) The sale at retail or use of food and beverages
32 authorized for the Women, Infants and Children Program under
33 section 17 of the Child Nutrition Act of 1966 (Public Law 89-
34 642, 42 U.S.C. § 1786) as administered by the Department of
35 Health.

36 (30) Meals and student fees imposed by educational
37 institutions as described in NAICS industry 611110.

38 (31) (Reserved).

39 (32) (Reserved).

40 (33) (Reserved).

41 (34) (Reserved).

42 (35) (Reserved).

43 (36) The sale at retail or use of rail transportation
44 equipment used in the movement of personalty.

45 (37) (Reserved).

46 (38) (Reserved).

47 (39) The sale at retail or use of fish feed purchased by
48 or on behalf of sportsmen's clubs, fish cooperatives or
49 nurseries approved by the Pennsylvania Fish Commission.

50 (40) The sale at retail of supplies and materials to
51 tourist promotion agencies, which receive grants from the

1 Commonwealth, for distribution to the public as promotional
2 material or the use of such supplies and materials by said
3 agencies for said purposes.

4 (41) (Reserved).

5 (42) The sale or use of brook trout (*salvelinus*
6 *fontinalis*), brown trout (*Salmo trutta*) or rainbow trout
7 (*Salmo gairdneri*).

8 (43) The sale at retail or use of buses to be used
9 exclusively for the transportation of children for school
10 purposes.

11 (44) The sale at retail or use of firewood. For the
12 purpose of this paragraph, firewood shall mean the product of
13 trees when severed from the land and cut into proper lengths
14 for burning and pellets made from pure wood sawdust if used
15 for fuel for cooking, hot water production or to heat
16 residential dwellings.

17 (45) (Reserved).

18 (46) The sale at retail or use of tangible personal
19 property purchased in accordance with the Food Stamp Act of
20 1977, as amended (Public Law 95-113, 7 U.S.C. §§ 2011-2029).

21 (47) (Reserved).

22 (48) (Reserved).

23 (49) (i) The sale at retail or use of food and
24 beverages by nonprofit associations which support sports
25 programs.

26 (ii) The following words and phrases when used in
27 this paragraph shall have the meanings given to them in
28 this subparagraph unless the context clearly indicates
29 otherwise:

30 "Nonprofit association." An entity which is
31 organized as a nonprofit corporation or nonprofit
32 unincorporated association under the laws of this
33 Commonwealth or the United States or any entity which is
34 authorized to do business in this Commonwealth as a
35 nonprofit corporation or unincorporated association under
36 the laws of this Commonwealth, including, but not limited
37 to, youth or athletic associations, volunteer fire,
38 ambulance, religious, charitable, fraternal, veterans,
39 civic, or any separately chartered auxiliary of the
40 foregoing, if organized and operated on a nonprofit
41 basis.

42 "Sports program." Baseball, softball, football,
43 basketball, soccer and any other competitive sport
44 formally recognized as a sport by the United States
45 Olympic Committee as specified by and under the
46 jurisdiction of the Amateur Sports Act of 1978 (Public
47 Law 95-606, 36 U.S.C. Ch. 2205), the Amateur Athletic
48 Union or the National Collegiate Athletic Association.
49 The term shall be limited to a program or that portion of
50 a program that is organized for recreational purposes and
51 whose activities are substantially for such purposes and

1 which is primarily for participants who are 18 years of
2 age or younger or whose 19th birthday occurs during the
3 year of participation or the competitive season,
4 whichever is longer. There shall, however, be no age
5 limitation for programs operated for persons with
6 physical handicaps or persons with mental retardation.

7 "Support." The funds raised from sales are used to
8 pay the expenses of a sports program or the nonprofit
9 association sells the food and beverages at a location
10 where a sports program is being conducted under this
11 chapter or the Tax Reform Code of 1971.

12 (50) (Reserved).

13 (51) The sale at retail or use of interior office
14 building cleaning services but only as relates to the costs
15 of the supplied employee, which costs are wages, salaries,
16 bonuses and commissions, employment benefits, expense
17 reimbursements and payroll and withholding taxes, to the
18 extent that these costs are specifically itemized or that
19 these costs in aggregate are stated in billings from the
20 vendor or supplying entity.

21 (52) (Reserved).

22 (53) (Reserved).

23 (54) (Reserved).

24 (55) (Reserved).

25 (56) The sale at retail or use of tangible personal
26 property or services used, transferred or consumed in
27 installing or repairing equipment or devices designed to
28 assist persons in ascending or descending a stairway when:

29 (i) The equipment or devices are used by a person
30 who, by virtue of a physical disability, is unable to
31 ascend or descend stairs without the aid of such
32 equipment or device.

33 (ii) The equipment or device is installed or used in
34 the person's place of residence.

35 (iii) A physician has certified the physical
36 disability of the person in whose residence the equipment
37 or device is installed or used.

38 (57) The sale at retail to or use by a construction
39 contractor of building machinery and equipment and services
40 thereto that are:

41 (i) transferred pursuant to a construction contract
42 for any charitable organization, volunteer firemen's
43 organization, nonprofit educational institution or
44 religious organization for religious purposes, provided
45 that the building machinery and equipment and services
46 thereto are not used in any unrelated trade or business;
47 or

48 (ii) transferred to the United States or the
49 Commonwealth or its instrumentalities or political
50 subdivisions.

51 (58) (Reserved).

1 (59) The sale at retail or use of molds and related mold
2 equipment used directly and predominantly in the manufacture
3 of products, regardless of whether the person that holds
4 title to the equipment manufactures a product.

5 (60) (Reserved).

6 (61) (Reserved).

7 (62) The sale at retail or use of tangible personal
8 property or services which are directly used in farming,
9 dairying or agriculture when engaged in as a business
10 enterprise, regardless of whether the sale is made to the
11 person directly engaged in the business enterprise or to a
12 person contracting with the person directly engaged in the
13 business enterprise for the production of food.

14 (63) (Reserved).

15 (64) The sale at retail to or use by a construction
16 contractor, employed by a public school district pursuant to
17 a construction contract, of any materials and building
18 supplies which, during construction or reconstruction, are
19 made part of any public school building utilized for
20 instructional classroom education within this Commonwealth,
21 if the construction or reconstruction:

22 (i) is necessitated by a disaster emergency, as
23 defined in 35 Pa.C.S. § 7102 (relating to definitions);
24 and

25 (ii) takes place during the period when there is a
26 declaration of disaster emergency under 35 Pa.C.S. §
27 7301(c) (relating to general authority of Governor).

28 (65) (Reserved).

29 (66) The sale at retail or use of copies of an official
30 document sold by a government agency or a court. For the
31 purposes of this paragraph, the following terms or phrases
32 shall have the following meanings:

33 (i) "court" includes:

34 (A) an appellate court as defined in 42 Pa.C.S.
35 § 102 (relating to definitions);

36 (B) A court of common pleas as defined in 42
37 Pa.C.S. § 102; or

38 (C) the minor judiciary as defined in 42 Pa.C.S.
39 § 102;

40 (ii) "government agency" means an agency as defined
41 in section 102 of the act of February 14, 2008 (P.L.6,
42 No.3), known as the Right-to-Know Law; and

43 (iii) "official document" means a record as defined
44 in section 102 of the Right-to-Know Law. The term shall
45 include notes of court testimony, deposition transcripts,
46 driving records, accident reports, birth and death
47 certificates, deeds, divorce decrees and other similar
48 documents.

49 (67) The sale at retail or use of repair or replacement
50 parts, including the installation of those parts, exclusively
51 for use in helicopters and similar rotorcraft or in

1 overhauling or rebuilding of helicopters and similar
2 rotorcraft or helicopters and similar rotorcraft components.

3 (68) The sale at retail or use of helicopters and
4 similar rotorcraft.

5 (69) The sale at retail or use of aircraft parts,
6 services to aircraft and aircraft components. For purposes of
7 this paragraph, the term "aircraft" shall include a fixed-
8 wing aircraft, powered aircraft, tilt-rotor or tilt-wing
9 aircraft, glider or unmanned aircraft.

10 (70) (Reserved).

11 (71) The sale at retail or use of tuition.

12 (72) But for the services as defined in section 701(w),
13 (x), (y), (z), (aa), (bb), (cc), (jj) and (kk), the sale at
14 retail or use of any of the following business, professional
15 or technical services performed by a business and rendered to
16 another business:

17 (i) Legal services as defined by NAICS industry
18 5411.

19 (ii) Architectural, engineering and related services
20 as defined by NAICS industry 5413.

21 (iii) Accounting, auditing and bookkeeping services
22 as defined by NAICS industry 5412.

23 (iv) Specialized design services as defined by NAICS
24 industry 5414.

25 (v) Advertising, public relations and related
26 services as defined by NAICS industry 5418.

27 (vi) Services to buildings and dwellings as defined
28 by NAICS industry 5617.

29 (vii) Scientific, environmental and technical
30 consulting services as defined by NAICS industry 5416.

31 (viii) Scientific research and development services
32 as defined by NAICS industries 5417 and 5419.

33 (ix) Information services as defined by NAICS
34 subsector 519.

35 (x) Administrative services as defined by NAICS
36 industries 5611, 5612, 5613, 5614, 5615 and 5619.

37 (xi) Custom programming, design and data processing
38 services as defined by NAICS industry 5415.

39 (xii) Parking lot and garage services as defined by
40 NAICS industry 8129.

41 (73) The sale at retail or use of legal services
42 relating to family law or criminal law.

43 (74) The sale at retail, or the use of motion picture
44 film rented or licensed from a distributor for the purpose of
45 commercial exhibition.

46 (75) The sale at retail or use of services performed by
47 minors under 18 years of age and not on behalf of another
48 person.

49 (76) The sale at retail or use of services provided by
50 employees to their employers in exchange for wages and
51 salaries when such services are rendered in the ordinary

1 course of employment.

2 (77) The sale at retail or use of goods or services that
3 are part of a Medicare Part B transaction.

4 Section 705. Alternate imposition of tax.

5 (a) General rule.--If any person actively and principally
6 engaged in the business of selling new or used motor vehicles,
7 trailers or semitrailers, and registered with the department in
8 the "dealer's class," acquires a motor vehicle, trailer or
9 semitrailer for the purpose of resale, and prior to such resale,
10 uses the motor vehicle, trailer or semitrailer for a taxable use
11 under this chapter or the Tax Reform Code of 1971, the person
12 may pay a tax equal to 7% of the fair rental value of the motor
13 vehicle, trailer or semitrailer during use.

14 (b) Aircraft.--A commercial aircraft operator who acquires
15 an aircraft for the purpose of resale, or lease, or is entitled
16 to claim another valid exemption at the time of purchase, and
17 subsequent to the purchase, periodically uses the same aircraft
18 for a taxable use under this chapter or the Tax Reform Code of
19 1971, may elect to pay a tax equal to 7% of the fair rental
20 value of the aircraft during such use.

21 (c) Applicability.--This section shall not apply to the use
22 of a vehicle as a wrecker, parts truck, delivery truck or
23 courtesy car.

24 Section 706. Credit against tax.

25 (a) Tax paid to another state.--

26 (1) A credit against the tax imposed by section 702
27 shall be granted with respect to tangible personal property
28 or services purchased for use outside the Commonwealth equal
29 to the tax paid to another state by reason of the imposition
30 by such other state of a tax similar to the tax imposed by
31 this chapter.

32 (2) No credit under paragraph (1) shall be granted
33 unless the other state grants substantially similar tax
34 relief by reason of the payment of tax under this chapter or
35 under the Tax Reform Code of 1971.

36 (b) (Reserved).

37 SUBCHAPTER D

38 LICENSES

39 Section 708. Licenses.

40 (a) Duty to obtain license.--Every person maintaining a
41 place of business in this Commonwealth, selling or leasing
42 services or tangible personal property, the sale or use of which
43 is subject to tax and who has not obtained a license from the
44 department, shall, prior to the beginning of business, make
45 application to the department, on a form prescribed by the
46 department, for a license. If such person maintains more than
47 one place of business in this Commonwealth, the license shall be
48 issued for the principal place of business in this Commonwealth.

49 (b) Criteria for issuance of license.--

50 (1) The department shall, after the receipt of an
51 application, issue the license applied for under subsection

1 (a) if the applicant filed all required State tax reports and
2 paid any State taxes not subject to a timely perfected
3 administrative or judicial appeal or subject to a duly
4 authorized deferred payment plan. The license shall be
5 nonassignable.

6 (2) All licenses in effect on the effective date of this
7 section under former Article III of the Tax Reform Code of
8 1971 and all licenses issued or renewed on or after the
9 effective date of this section shall be valid for a period of
10 five years.

11 (b.1) Refusal of license.--

12 (1) If an applicant for a license or any person holding
13 a license has not filed all required State tax reports and
14 paid any State taxes not subject to a timely perfected
15 administrative or judicial appeal or subject to a duly
16 authorized deferred payment plan, the department may refuse
17 to issue, may suspend or may revoke said license.

18 (2) The department shall notify the applicant or
19 licensee of any refusal, suspension or revocation. The notice
20 shall contain a statement that the refusal, suspension or
21 revocation may be made public. The notice shall be made by
22 first class mail.

23 (3) An applicant or licensee aggrieved by the
24 determination of the department may file an appeal pursuant
25 to the provisions for administrative appeals in this chapter,
26 except that the appeal must be filed within 30 days of the
27 date of the notice. In the case of a suspension or revocation
28 which is appealed, the license shall remain valid pending a
29 final outcome of the appeals process.

30 (4) Notwithstanding section 774 or sections 353(f),
31 408(b), 603, 702, 802, 904 and 1102 of the Tax Reform Code of
32 1971, or any other provision of law to the contrary, if no
33 appeal is taken or if an appeal is taken and denied at the
34 conclusion of the appeal process, the department may
35 disclose, by publication or otherwise, the identity of a
36 person and the fact that the person's license has been
37 refused, suspended or revoked under this subsection.
38 Disclosure may include the basis for refusal, suspension or
39 revocation.

40 (c) Penalties.--

41 (1) A person that maintains a place of business in this
42 Commonwealth for the purpose of selling or leasing services
43 or tangible personal property, the sale or use of which is
44 subject to tax, without having a valid license at the time of
45 the sale or lease shall be guilty of a summary offense and,
46 upon conviction thereof, be sentenced to pay a fine of not
47 less than \$300 nor more than \$1,500 and, in default thereof,
48 a term of imprisonment of not less than five days nor more
49 than 30 days.

50 (2) The penalties imposed by this subsection shall be in
51 addition to any other penalties imposed by this chapter.

1 (3) For purposes of this subsection, the offering for
2 sale or lease of any service or tangible personal property,
3 the sale or use of which is subject to tax, during any
4 calendar day shall constitute a separate violation.

5 (4) The secretary may designate employees of the
6 department to enforce the provisions of this subsection. The
7 employees shall exhibit proof of and be within the scope of
8 the designation when instituting proceedings as provided by
9 the Pennsylvania Rules of Criminal Procedure.

10 (d) Effect of failure to obtain license.--Failure of any
11 person to obtain a license shall not relieve that person of
12 liability to pay the tax imposed by this chapter.

13 SUBCHAPTER E

14 HOTEL OCCUPANCY TAX

15 Section 709. Definitions.

16 (a) General rule.--The following words and phrases when used
17 in this subchapter shall have the meanings given to them in this
18 section unless the context clearly indicates otherwise:

19 "Hotel." A building or buildings in which the public may,
20 for a consideration, obtain sleeping accommodations. The term
21 does not include any charitable, educational or religious
22 institution summer camp for children, hospital or nursing home.

23 "Occupancy." The use or possession or the right to the use or
24 possession by any person, other than a permanent resident, of
25 any room or rooms in a hotel for any purpose or the right to the
26 use or possession of the furnishings or to the services and
27 accommodations accompanying the use and possession of the room
28 or rooms.

29 "Occupant." A person, other than a permanent resident, who,
30 for a consideration, uses, possesses or has a right to use or
31 possess any room or rooms in a hotel under any lease,
32 concession, permit, right of access, license or agreement.

33 "Operator." Any person who operates a hotel.

34 "Permanent resident." Any occupant who has occupied or has
35 the right to occupancy of any room or rooms in a hotel for at
36 least 30 consecutive days.

37 "Rent." The consideration received for occupancy valued in
38 money, whether received in money or otherwise, including all
39 receipts, cash, credits and property or services of any kind or
40 nature, and also any amount for which the occupant is liable for
41 the occupancy without any deduction. The term "rent" shall not
42 include a gratuity.

43 (b) Other definitions.--The following words and phrases,
44 when used in Subchapters D and F, shall, in addition to the
45 meaning ascribed to them by section 701, have the meaning
46 ascribed to them in this subsection, except where the context
47 clearly indicates a different meaning:

48 "Maintaining a place of business in this Commonwealth."
49 Being the operator of a hotel in this Commonwealth.

50 "Purchase at retail." Occupancy.

51 "Purchase price." Rent.

1 "Purchaser." Occupant.
2 "Sale at retail." The providing of occupancy to an occupant
3 by an operator.
4 "Services." Occupancy.
5 "Tangible personal property." Occupancy.
6 "Use." Occupancy.
7 "Vendor." Operator.

8 Section 710. Imposition of tax.

9 There is hereby imposed an excise tax of 7% of the rent on
10 every occupancy of a room or rooms in a hotel in this
11 Commonwealth, which tax shall be collected by the operator from
12 the occupant and paid over to the Commonwealth as provided in
13 this act.

14 Section 711. Seasonal tax returns.

15 Notwithstanding any other provisions in this chapter or the
16 Tax Reform Code of 1971, the department may, by regulation,
17 waive the requirement for the filing of quarterly returns in the
18 case of any operator whose hotel is operated only during certain
19 seasons of the year, and may provide for the filing of returns
20 by such persons at times other than those provided by section
21 721.

22 SUBCHAPTER F

23 PROCEDURE AND ADMINISTRATION

24 Section 715. Persons required to make returns.

25 Every person required to pay tax to the department or collect
26 and remit tax to the department shall file returns with respect
27 to the tax.

28 Section 716. Form of returns.

29 The returns required by section 715 shall be on forms
30 prescribed by the department and shall show such information
31 with respect to the taxes imposed by this chapter as the
32 department may reasonably require.

33 Section 717. Time for filing returns.

34 (a) Quarterly and monthly returns.--

35 (1) For the year in which this chapter becomes
36 effective, and in each year thereafter, a return shall be
37 filed quarterly by every licensee on or before the 20th day
38 of April, July, October and January for the three months
39 ending the last day of March, June, September and December.

40 (2) For the year in which this chapter becomes
41 effective, and in each year thereafter, a return shall be
42 filed monthly with respect to each month by every licensee
43 whose actual tax liability for the third calendar quarter of
44 the preceding year equals or exceeds \$600 and is less than
45 \$25,000. Such returns shall be filed on or before the 20th
46 day of the next succeeding month with respect to which the
47 return is made. Any licensee required to file monthly returns
48 under this act shall be relieved from filing quarterly
49 returns.

50 (3) With respect to every licensee whose actual tax
51 liability for the third calendar quarter of the preceding

1 year equals or exceeds \$25,000 and is less than \$100,000, the
2 licensee shall, on or before the 20th day of each month, file
3 a single return consisting of all of the following:

4 (i) Either of the following:

5 (A) An amount equal to 50% of the licensee's
6 actual tax liability for the same month in the
7 preceding calendar year if the licensee was a monthly
8 filer or, if the licensee was a quarterly or
9 semiannual filer, 50% of the licensee's average
10 actual tax liability for that tax period in the
11 preceding calendar year. The average actual tax
12 liability shall be the actual tax liability for the
13 tax period divided by the number of months in that
14 tax period. For licensees that were not in business
15 during the same month in the preceding calendar year
16 or were in business for only a portion of that month,
17 the amount shall be 50% of the average actual tax
18 liability for each tax period the licensee has been
19 in business. If the licensee is filing a tax
20 liability for the first time with no preceding tax
21 periods, the amount shall be zero.

22 (B) An amount equal to or greater than 50% of
23 the licensee's actual tax liability for the same
24 month.

25 (ii) An amount equal to the taxes due for the
26 preceding month, less any amounts paid in the preceding
27 month as required by subparagraph (i).

28 (4) With respect to each month by every licensee whose
29 actual tax liability for the third calendar quarter of the
30 preceding year equals or exceeds \$100,000, the licensee
31 shall, on or before the 20th day of each month, file a single
32 return consisting of the amounts under paragraph (3) (i) (A)
33 and (ii).

34 (5) The amount due under paragraph (3) (i) or (4) shall
35 be due the same day as the remainder of the preceding month's
36 tax.

37 (6) The department shall determine whether the amounts
38 reported under paragraph (3) or (4) shall be remitted as one
39 combined payment or as two separate payments.

40 (7) The department may require the filing of the returns
41 and the payments for these types of filers by electronic
42 means approved by the department.

43 (8) Any licensee filing returns under paragraph (3) or
44 (4) shall be relieved of filing quarterly returns.

45 (9) If a licensee required to remit payments under
46 paragraph (3) or (4) fails to make a timely payment or makes
47 a payment which is less than the required amount, the
48 department may, in addition to any applicable penalties,
49 impose an additional penalty equal to 5% of the amount due
50 under paragraph (3) or (4) which was not timely paid. The
51 penalty under this paragraph shall be determined when the tax

1 return is filed for the tax period.

2 (b) Annual returns.--No annual return shall be filed, except
3 as may be required by rules and regulations of the department
4 promulgated and published at least 60 days prior to the end of
5 the year with respect to which the returns are made. Where such
6 annual returns are required, licensees shall not be required to
7 file such returns prior to the 20th day of the year succeeding
8 the year with respect to which the returns are made.

9 (c) Other returns.--Any person, other than a licensee,
10 liable to pay to the department any tax under this chapter,
11 shall file a return on or before the 20th day of the month
12 succeeding the month in which the person becomes liable for the
13 tax.

14 (d) Small taxpayers.--The department, by regulation, may
15 waive the requirement for the filing of quarterly return in the
16 case of any licensee whose individual tax collections do not
17 exceed \$75 per calendar quarter and may provide for reporting on
18 a less frequent basis in such cases.

19 Section 718. Extension of time for filing returns.

20 The department may, on written application and for good cause
21 shown, grant a reasonable extension of time for filing any
22 return required under this subchapter. However, the time for
23 making a return shall not be extended for more than three
24 months.

25 Section 719. Place for filing returns.

26 Returns shall be filed with the department at its main office
27 or at any branch office which it may designate for filing
28 returns.

29 Section 720. Timely mailing treated as timely filing and
30 payment.

31 (a) General rule.--Notwithstanding the provisions of any
32 State tax law to the contrary, whenever a report or payment of
33 all or any portion of a State tax is required by law to be
34 received by the department or other agency of the Commonwealth
35 on or before a day certain, the taxpayer shall be deemed to have
36 complied with the law if the letter transmitting the report or
37 payment of the tax which has been received by the department is
38 postmarked by the United States Postal Service on or prior to
39 the final day on which the payment is to be received.

40 (b) Presentation of receipt.--For the purposes of this
41 chapter, presentation of a receipt indicating that the report or
42 payment was mailed by registered or certified mail on or before
43 the due date shall be evidence of timely filing and payment.

44 Section 721. Payment of tax.

45 When a return of tax is required under this subchapter, the
46 person required to make the return shall pay the tax to the
47 department.

48 Section 722. Time of payment.

49 (a) General rule.--The tax imposed by this chapter and
50 incurred or collected by a licensee shall be due and payable by
51 the licensee on the day the return is required to be filed under

1 the provisions of section 717 and the payment must accompany the
2 return for the preceding period.

3 (b) Annual payments.--If the amount of tax due for the
4 preceding year as shown by the annual return of a taxpayer is
5 greater than the amount already paid by the taxpayer in
6 connection with the taxpayer's monthly or quarterly returns, the
7 taxpayer shall send with the annual return a remittance for the
8 unpaid amount of tax for the year.

9 (c) Other payments.--Any person other than a licensee liable
10 to pay any tax under this chapter shall remit the tax at the
11 time of filing the return required by this chapter.
12 Section 723. Other times for payment.

13 In the event that the department authorizes a taxpayer to
14 file a return at other times than those specified in section
15 717, the tax due shall be paid at the time the return is filed.
16 Section 724. Place for payment.

17 The tax imposed by this chapter shall be paid to the
18 department at the place fixed for filing the return.
19 Section 725. Tax held in trust for Commonwealth.

20 (a) General rule.--All taxes collected by any person from
21 purchasers in accordance with this chapter and all taxes
22 collected by any person from purchasers under color of this
23 chapter which have not been properly refunded by the person to
24 the purchaser shall constitute a trust fund for the
25 Commonwealth, and such trust shall be enforceable against such
26 person, the person's representatives and any person, other than
27 a purchaser to whom a refund has been made properly, receiving
28 any part of the fund without consideration, or knowing that the
29 taxpayer is committing a breach of trust.

30 (b) Presumption.--Any person receiving payment of a lawful
31 obligation of the taxpayer from the fund identified under
32 subsection (a) shall be presumed to have received the same in
33 good faith and without any knowledge of the breach of trust.

34 (c) Right to petition and appeal.--Any person, other than a
35 taxpayer, against whom the department makes any claim under this
36 section shall have the same right to petition and appeal as is
37 given taxpayers by any provisions of this subchapter.

38 Section 726. (Reserved).

39 Section 727. Discount.

40 (a) General rule.--Subject to the provisions of subsection
41 (b), if a return is filed by a licensee and the tax shown to be
42 due thereon less any discount is paid all within the time
43 prescribed, the licensee shall be entitled to credit and apply
44 against the tax payable by the licensee a discount of 1% of the
45 amount of the tax collected by the licensee, as compensation for
46 the expense of collecting and remitting the tax due by the
47 licensee and as consideration of the prompt payment.

48 (b) Types of periodic filers.--For returns filed on or after
49 the effective date of this section, the discount under
50 subsection (a) shall be limited to the following:

51 (1) For a monthly filer, \$25 per return.

- 1 (2) For a quarterly filer, \$75 per return.
- 2 (3) For a semiannual filer, \$150 per return.
- 3 Section 728. (Reserved).
- 4 Section 729. (Reserved).
- 5 Section 730. Assessment.

6 The department shall make the inquiries, determinations and
7 assessments of the tax, including interest, additions and
8 penalties, imposed by this chapter. A notice of assessment and
9 demand for payment shall be mailed to the taxpayer. The notice
10 shall set forth the basis of the assessment.

11 Section 731. Mode and time of assessment.

12 (a) Duty to examine.--

13 (1) Within a reasonable time after any return is filed,
14 the department shall examine it and, if the return shows a
15 greater tax due or collected than the amount of tax remitted
16 with the return, the department shall issue an assessment for
17 the difference, together with an addition of 3% of the
18 difference, which shall be paid to the department within ten
19 days after a notice of the assessment has been mailed to the
20 taxpayer.

21 (2) If such assessment is not paid within ten days,
22 there shall be added and paid to the department an additional
23 3% of the difference for each month during which the
24 assessment remains unpaid. The total of all additions shall
25 not exceed 18% of the difference shown on the assessment.

26 (b) Understated tax on returns.--

27 (1) If the department determines that any return or
28 returns of any taxpayer understates the amount of tax due, it
29 shall determine the proper amount and shall ascertain the
30 difference between the amount of tax shown in the return and
31 the amount determined. The difference may be referred to as
32 the deficiency.

33 (2) The department shall send a notice of assessment for
34 the deficiency and the reasons to the taxpayer.

35 (3) The taxpayer shall pay the deficiency to the
36 department within 30 days after a notice of the assessment
37 has been mailed to the taxpayer.

38 (c) Estimated assessments.--

39 (1) In the event that any taxpayer fails to file a
40 return required by this chapter, the department may make an
41 estimated assessment, based on information available, of the
42 proper amount of tax owed by the taxpayer and shall send a
43 notice of assessment in the estimated amount to the taxpayer.

44 (2) The taxpayer shall pay the tax within 30 days after
45 a notice of the estimated assessment has been mailed to the
46 taxpayer.

47 (d) Studies.--

48 (1) The department may conduct the studies necessary to
49 compute effective rates by business classification, based
50 upon the ratio between the tax required to be collected and
51 taxable sales and to use such rates in arriving at the

1 apparent tax liability of a taxpayer.

2 (2) Any assessment based on such rates shall be prima
3 facie correct, except that the rate shall not be considered
4 where a taxpayer establishes the rate is based on a sample
5 inapplicable to the taxpayer.

6 Section 732. Reassessment.

7 Any taxpayer against whom an assessment is made may petition
8 the department for a reassessment under Article XXVII of the Tax
9 Reform Code of 1971.

10 Section 733. Assessment to recover erroneous refunds.

11 The department may, within two years of the granting of any
12 refund or credit, or within the period in which an assessment
13 could have been filed by the department with respect to the
14 transaction pertaining to which the refund was granted,
15 whichever period shall last occur, file an assessment to recover
16 any refund or part thereof or credit or part thereof which was
17 erroneously made or allowed.

18 Section 734. (Reserved).

19 Section 735. (Reserved).

20 Section 736. Burden of proof.

21 In all cases of petitions for reassessment, review or appeal,
22 the burden of proof shall be on the petitioner or appellant, as
23 applicable.

24 Section 737. Collection of tax.

25 (a) General rule.--The department shall collect the tax in
26 the manner provided by law for the collection of taxes imposed
27 by the laws of this Commonwealth.

28 (b) Collection by persons maintaining a place of business in
29 the Commonwealth.--

30 (1) Every person maintaining a place of business in this
31 Commonwealth and selling or leasing tangible personal
32 property or services, the sale or use of which is subject to
33 tax shall collect the tax from the purchaser or lessee at the
34 time of making the sale or lease, and shall remit the tax to
35 the department, unless the collection and remittance is
36 otherwise provided for in this chapter.

37 (2) (i) Every person not otherwise required to collect
38 tax that delivers tangible personal property to a
39 location within this Commonwealth and that unpacks,
40 positions, places or assembles the tangible personal
41 property shall collect the tax from the purchaser at the
42 time of delivery and shall remit the tax to the
43 department if the person delivering the tangible personal
44 property is responsible for collecting any portion of the
45 purchase price of the tangible personal property
46 delivered and the purchaser has not provided the person
47 with proof that the tax imposed by this chapter has been
48 or will be collected by the seller or that the purchaser
49 provided the seller with a valid exemption certificate.

50 (ii) Every person required to collect tax under this
51 paragraph shall be deemed to be selling or leasing

1 tangible personal property or services, the sale or use
2 of which is subject to the tax imposed under section 702.

3 (3) Any person required under this chapter to collect
4 tax from another person, who shall fail to collect the proper
5 amount of the tax, shall be liable for the full amount of the
6 tax which the person should have collected.

7 (c) Certificate for tax-exempt sales or leases.--

8 (1) If the tax does not apply to the sale or lease of
9 tangible personal property or services, the purchaser or
10 lessee shall furnish to the vendor a certificate indicating
11 that the sale is not legally subject to the tax. The
12 certificate shall be in substantially such form as the
13 department may, by regulation, prescribe.

14 (2) Where the tangible personal property or service is
15 of a type which is never subject to the tax imposed or where
16 the sale or lease of tangible personal property is in
17 interstate commerce, the certificate need not be furnished.

18 (3) Where a series of transactions are not subject to
19 tax, a purchaser or user may furnish the vendor with a single
20 exemption certificate in substantially such form and valid
21 for such period of time as the department may, by regulation,
22 prescribe.

23 (4) The department shall provide all school districts
24 and intermediate units with a permanent tax exemption number.

25 (5) An exemption certificate, which is complete and
26 regular and on its face discloses a valid basis of exemption
27 if taken in good faith, shall relieve the vendor from the
28 liability imposed by this section.

29 (6) An exemption certificate:

30 (i) accepted by a vendor from a natural person
31 domiciled within this Commonwealth or any association,
32 fiduciary, partnership, corporation or other entity,
33 either authorized to do business within this Commonwealth
34 or having an established place of business within this
35 Commonwealth, in the ordinary course of the vendor's
36 business;

37 (ii) which on its face discloses a valid basis of
38 exemption consistent with the activity of the purchaser
39 and character of the property or service being purchased
40 or which is provided to the vendor by a charitable,
41 religious, educational or volunteer firefighters'
42 organization;

43 (iii) contains the organization's charitable
44 exemption number; and

45 (iv) which, in the case of any purchase costing \$200
46 or more, is accompanied by a sworn declaration on a form
47 to be provided by the department of an intended usage of
48 the property or service which would render it nontaxable,
49 shall be presumed to be taken in good faith and the burden of
50 proving otherwise shall be on the department.

51 (d) Direct payment permits.--

1 (1) The department may authorize a purchaser or lessee
2 who acquires tangible personal property or services under
3 circumstances which make it impossible at the time of
4 acquisition to determine the manner in which the tangible
5 personal property or service will be used, to pay the tax
6 directly to the department, and waive the collection of the
7 tax by the vendor.

8 (2) No such authority shall be granted or exercised,
9 except on application to the department, and the issuance by
10 the department, in its discretion, of a direct payment
11 permit.

12 (3) If a direct payment permit is granted, its use shall
13 be subject to conditions specified by the department, and the
14 payment of tax on all acquisitions pursuant to the permit
15 shall be made directly to the department by the permit
16 holder.

17 Section 738. Collection of tax on motor vehicles, trailers and
18 semitrailers.

19 (a) General rule.--Notwithstanding the provisions of section
20 737(b)(1), tax due on the sale at retail or use of a motor
21 vehicle, trailer or semitrailer, except mobile homes as defined
22 in 75 Pa.C.S. (relating to vehicles), required by law to be
23 registered with the department under the provisions of 75
24 Pa.C.S. shall be paid by the purchaser or user directly to the
25 department on application to the department for an issuance of a
26 certificate of title on the motor vehicle, trailer or
27 semitrailer.

28 (b) No issuance of certificate of title without payment of
29 tax.--

30 (1) The department shall not issue a certificate of
31 title until the tax has been paid, or evidence satisfactory
32 to the department has been given to establish that tax is not
33 due.

34 (2) The department may cancel or suspend any record of
35 certificate of title or registration of a motor vehicle,
36 trailer or semitrailer when the check received in payment of
37 the tax on the vehicle is not paid on demand.

38 (c) First encumbrance.--The tax shall be considered as a
39 first encumbrance against the vehicle and the vehicle may not be
40 transferred without first payment in full of the tax and any
41 interest additions or penalties which shall accrue in accordance
42 with this chapter.

43 Section 739. Precollection of tax.

44 (a) Authorization.--

45 (1) Except as otherwise provided under paragraph (2),
46 the department may, by regulation, authorize or require
47 particular categories of vendors selling tangible personal
48 property for resale to precollect from the purchaser the tax
49 which the purchaser will collect on making a sale at retail
50 of the tangible personal property.

51 (2) The department, pursuant to this section, may not

1 require a vendor to precollect tax from a purchaser who
2 purchases for resale more than \$1,000 worth of tangible
3 personal property from the vendor per year.

4 (b) No license required.--In any case in which a vendor has
5 been authorized to prepay the tax to the person from whom the
6 vendor purchased the tangible personal property for resale, the
7 vendor authorized to prepay the tax may, under the regulations
8 of the department, be relieved from the duty to secure a license
9 if the duty arises only by reason of the vendor's sale of the
10 tangible personal property with respect to which the vendor is,
11 under authorization of the department, to prepay the tax.

12 (c) Reimbursement.--

13 (1) The vendor, on making a sale at retail of tangible
14 personal property with respect to which the vendor has
15 prepaid the tax, must separately state at the time of resale
16 the proper amount of tax on the transaction, and reimburse
17 itself on account of the taxes which the vendor has
18 previously prepaid.

19 (2) If the vendor collects a greater amount of tax in
20 any reporting period than the vendor previously prepaid on
21 purchase of the goods with respect to which the vendor
22 prepaid the tax, the vendor must file a return and remit the
23 balance to the Commonwealth at the time at which a return
24 would otherwise be due with respect to the sales.

25 Section 740. Bulk and auction sales.

26 A person who sells or causes to be sold at auction, or who
27 sells or transfers in bulk, 51% or more of any stock, of goods,
28 wares or merchandise of any kind, fixtures, machinery,
29 equipment, buildings or real estate, involved in a business for
30 which the person is licensed or required to be licensed under
31 this chapter, or is liable for filing use tax returns in
32 accordance with this chapter, shall be subject to the provisions
33 of section 1403 of The Fiscal Code.

34 Section 741. (Reserved).

35 Section 742. Lien for taxes.

36 (a) Nature and effect of lien.--

37 (1) If any person liable to pay any tax neglects or
38 refuses to pay the same after demand, the amount, including
39 any interest, addition or penalty, together with any costs
40 that may accrue in addition, shall be a lien in favor of the
41 Commonwealth on the property, both real and personal, of the
42 person but only after same has been entered and docketed of
43 record by the prothonotary of the county where the property
44 is situated.

45 (2) The department may, at any time, transmit to the
46 prothonotaries of the respective counties certified copies of
47 all liens for taxes imposed by this chapter or the Tax Reform
48 Code of 1971 and penalties and interest.

49 (3) Each prothonotary receiving the lien shall enter and
50 docket the lien of record in the prothonotary's office, which
51 lien shall be indexed as judgments are now indexed.

1 (4) No prothonotary shall require, as a condition
2 precedent to the entry of the liens, the payment of the costs
3 incident thereto.

4 (b) Priority status.--

5 (1) The lien imposed under this section shall have
6 priority from the date of its recording, and shall be fully
7 paid and satisfied out of the proceeds of any judicial sale
8 of property before any other obligation, judgment, claim,
9 lien or estate to which the property may subsequently become
10 subject, except costs of the sale and of the writ on which
11 the sale was made, and real estate taxes and municipal claims
12 against such property, but shall be subordinate to mortgages
13 and other liens existing and duly recorded or entered of
14 record prior to the recording of the tax lien.

15 (2) In the case of a judicial sale of property, subject
16 to a lien imposed under this section, on a lien or claim over
17 which the lien imposed under this section has priority, the
18 sale shall discharge the lien imposed under this section to
19 the extent only that the proceeds are applied to its payment,
20 and the lien shall continue in full force and effect as to
21 the balance remaining unpaid.

22 (3) There shall be no inquisition or condemnation upon
23 any judicial sale of real estate made by the Commonwealth
24 pursuant to the provisions of this section.

25 (4) (i) The lien of the taxes, interest and penalties,
26 shall continue for five years from the date of entry, and
27 may be revived and continued in the manner now or
28 hereafter provided for renewal of judgments, or as may be
29 provided in The Fiscal Code, and a writ of execution may
30 directly issue upon the lien without the issuance and
31 prosecution to judgment of a writ of scire facias.

32 (ii) Not less than ten days before issuance of any
33 execution on the lien, notice of the filing and the
34 effect of the lien shall be sent by registered mail to
35 the taxpayer at the taxpayer's last known post office
36 address.

37 (iii) The lien shall have no effect on any stock of
38 goods, wares or merchandise regularly sold or leased in
39 the ordinary course of business by the person against
40 whom the lien has been entered, unless and until a writ
41 of execution has been issued and a levy made on the stock
42 of goods, wares and merchandise.

43 (c) Penalty.--Any willful failure of any prothonotary to
44 carry out any duty imposed on the prothonotary under this
45 section shall be a misdemeanor, and, upon conviction, the
46 prothonotary shall be sentenced to pay a fine not more than
47 \$1,000 and costs of prosecution or to a term of imprisonment not
48 exceeding one year, or both.

49 (d) Priority payment from distribution.--

50 (1) Except as otherwise provided under the law, in the
51 distribution, voluntary or compulsory, in receivership,

1 bankruptcy or otherwise, of the property or estate of any
2 person, all taxes imposed by this chapter which are due and
3 unpaid and are not collectible under section 725 shall be
4 paid from the first money available for distribution in
5 priority to all other claims and liens, except insofar as the
6 laws of the United States may give a prior claim to the
7 Federal Government.

8 (2) Any person charged with the administration or
9 distribution of the property or estate, who violates the
10 provisions of this section, shall be personally liable for
11 any taxes imposed by this chapter, which are accrued and
12 unpaid and are chargeable against the person whose property
13 or estate is being administered or distributed.

14 (e) Construction.--Subject to the limitations contained in
15 this chapter as to the assessment of taxes, nothing contained in
16 this section shall be construed to restrict, prohibit or limit
17 the use by the department in collecting taxes finally due and
18 payable of any other remedy or procedure available at law or
19 equity for the collection of debts.

20 Section 743. Suit for taxes.

21 (a) General rule.--At any time within three years after any
22 tax or any amount of tax shall be finally due and payable, the
23 department may commence an action in the courts of this
24 Commonwealth, of any state or of the United States, in the name
25 of the Commonwealth, to collect the amount of tax due together
26 with additions, interest, penalties and costs in the manner
27 provided at law or in equity for the collection of ordinary
28 debts.

29 (b) Prosecution by Attorney General.--The Attorney General
30 shall prosecute the action and, except as provided in this
31 chapter, the provisions of the Rules of Civil Procedure and the
32 provisions of the laws of this Commonwealth relating to civil
33 procedures and remedies shall, to the extent that they are
34 applicable, be available in such proceedings.

35 (c) Construction.--The provisions of this section are in
36 addition to any process, remedy or procedure for the collection
37 of taxes provided by this chapter or by the laws of this
38 Commonwealth, and this section is neither limited by nor
39 intended to limit any such process, remedy or procedure.

40 Section 744. Tax suit comity.

41 The courts of this Commonwealth shall recognize and enforce
42 liabilities for sales and use taxes, lawfully imposed by any
43 other state if the other state extends a like comity to this
44 Commonwealth.

45 Section 745. Service.

46 (a) General rule.--Any person who maintains a place of
47 business in this Commonwealth is deemed to have appointed the
48 Secretary of the Commonwealth as the person's agent for the
49 acceptance of service of process or notice in any proceedings
50 for the enforcement of the civil provisions of this chapter, and
51 any service made upon the Secretary of the Commonwealth as agent

1 shall be of the same legal force and validity as if the service
2 had been personally made on the person.

3 (b) Substitute service.--Where service cannot be made on the
4 person in the manner provided by other laws of this Commonwealth
5 relating to service of process, service may be made on the
6 Secretary of the Commonwealth and, in such case, a copy of the
7 process or notice shall also be personally served on any agent
8 or representative of the person who may be found within this
9 Commonwealth, or where no such agent or representative may be
10 found a copy of the process or notice shall be sent by
11 registered mail to the person at the last known address of the
12 person's principal place of business, home office or residence.
13 Section 746. Collection and payment of tax on credit sales.

14 If any sale subject to tax under this chapter is wholly or
15 partly on credit, the vendor shall require the purchaser to pay
16 in cash at the time the sale is made, or within 30 days
17 thereafter, the total amount of tax due upon the entire purchase
18 price. The vendor shall remit the tax to the department,
19 regardless of whether payment was made by the purchaser to the
20 vendor, with the next return required to be filed under section
21 717.

22 Section 747. Prepayment of tax.

23 (a) General rule.--Whenever a vendor is prohibited by law or
24 governmental regulation to charge and collect the purchase price
25 in advance of or at the time of delivery, the vendor shall
26 prepay the tax as required by section 722, but in that case, if
27 the purchaser fails to pay to the vendor the total amount of the
28 purchase price and the tax and the amount is written off as
29 uncollectible by the vendor, the vendor shall not be liable for
30 the tax and shall be entitled to a credit or refund of the tax
31 paid.

32 (b) Subsequent collection of tax.--If the purchase price is
33 thereafter collected, in whole or in part, the amount collected
34 shall be first applied to the payment of the entire tax portion
35 of the bill, and shall be remitted to the department by the
36 vendor with the first return filed after such collection.

37 (c) Time period for refund.--Tax prepaid shall be subject to
38 refund on petition to the department under the provisions of
39 section 752, filed within 105 days of the close of the fiscal
40 year in which the accounts are written off.

41 Section 747.1. Refund of sales tax attributed to bad debt.

42 (a) General rule.--A vendor may file a petition for refund
43 of sales tax paid to the department that is attributed to a bad
44 debt if all of the following apply:

45 (1) The purchaser fails to pay the total purchase price.

46 (2) The purchase price is written off, either in whole
47 or in part, as a debt on the books and records of the vendor
48 or an affiliate of the vendor.

49 (3) The bad debt has been deducted for Federal income
50 tax purposes under section 166 of the Internal Revenue Code
51 of 1986.

1 (a.1) Time for filing petition.--A petition for refund,
2 which is authorized by this section, must be filed with the
3 department within the time limitations under section 3003.1(a).

4 (a.2) Private-label credit cards.--In the case of private-
5 label credit card accounts not qualifying under subsection (a),
6 a vendor or lender that makes an election pursuant to subsection
7 (a.3) shall be entitled to file a petition for refund of sales
8 tax that the vendor has previously reported and paid to the
9 department, if all of the following conditions are met:

10 (1) No refund was previously allowed with respect to the
11 portion of the account written off as a bad debt.

12 (2) The account has been found worthless and written
13 off, either in whole or in part, as bad debt on the books and
14 records of the lender or an affiliate of the lender.

15 (3) The account has been deducted for Federal income tax
16 purposes under section 166 of the Internal Revenue Code of
17 1986 (Public Law 99-514, 26 U.S.C. § 166) by the lender or an
18 affiliate of the lender.

19 (a.3) Joint election.--In order to be eligible for a refund
20 under subsection (a.2), the lender and the vendor must execute
21 and file with the department a joint election, signed by both
22 parties, designating which party is entitled to claim the
23 refund. This election may not be revoked unless a written notice
24 is signed by the party that signed the election being revoked
25 and is filed with the department.

26 (b) Limitation.--

27 (1) The refund authorized by this section shall be
28 limited to the sales tax paid to the department that is
29 attributed to the bad debt, less any discount under section
30 727.

31 (2) Partial payments by the purchaser shall be prorated
32 between the original purchase price and the sales tax due on
33 the sale.

34 (3) Payments made on any transaction which includes both
35 taxable and nontaxable components shall be allocated
36 proportionally between the taxable and nontaxable components.

37 (c) Assignment.--A vendor or lender may assign its right to
38 petition and receive a refund of sales tax attributed to a bad
39 debt to an affiliate.

40 (d) Items not refundable.--No refund shall be granted under
41 this section for interest, finance charges or expenses incurred
42 in attempting to collect any amount receivable.

43 (e) Documentation.--Documentation requirements are as
44 follows:

45 (1) Any person claiming a refund under this section
46 shall, on request, make available adequate books, records or
47 other documentation supporting the claimed refund, including:

48 (i) Date of original sale, name and Pennsylvania
49 sales tax license number of the retailer.

50 (ii) Name and address of purchaser.

51 (iii) Amount that the purchaser paid or agreed to

1 pay.

2 (iv) Taxable and nontaxable charges.

3 (v) Amount on which the retailer reported and paid
4 sales tax.

5 (vi) All payments or other credits applied to the
6 account of the purchaser.

7 (vii) Evidence that the uncollected amount has been
8 designated as a bad debt in the books and records of the
9 vendor or lender, as appropriate, and that the amount has
10 been claimed as a bad debt deduction for Federal income
11 tax purposes.

12 (viii) The county in which any local sales tax was
13 incurred.

14 (ix) The unpaid portion of the sales price.

15 (x) A certification, under penalty of perjury, that
16 no person has collected money on the bad debt for which
17 the refund is claimed.

18 (xi) Any other information required by the
19 department.

20 (2) A person claiming a refund under this section may
21 provide alternative forms of documentation acceptable to the
22 department if appropriate in light of the volume and
23 character of uncollectible accounts. This includes the
24 following:

25 (i) If a vendor remits sales or use tax to the
26 Commonwealth and to another state, the entity claiming a
27 refund under this section may use an apportionment method
28 to substantiate the amount of Pennsylvania tax included
29 in the bad debts to which the refund applies.

30 (ii) The apportionment method must use the vendor's
31 Pennsylvania and non-Pennsylvania sales, the vendor's
32 taxable and nontaxable sales and the amount of tax the
33 vendor remitted to Pennsylvania.

34 (f) Subsequent collection.--

35 (1) If the purchase price that is attributed to a prior
36 bad debt refund is collected in whole or in part by the
37 vendor or lender, or an affiliate of the vendor or lender,
38 the entity claiming the refund shall remit the proportional
39 tax to the department with the first return filed after the
40 collection. If the entity is not required to file periodic
41 returns, the entity shall remit the proportional tax to the
42 department with another return pursuant to section 717(c).

43 (2) Any consideration received for the assignment, sale
44 or other transfer of a bad debt with respect to which a
45 refund has been granted shall be deemed to be a collection of
46 a prior bad debt. This paragraph shall not apply to a
47 transfer to an entity that is part of the same affiliated
48 group, as defined by section 1504 of the Internal Revenue
49 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1504).

50 (3) A person that collects, in whole or in part, the
51 purchase price attributed to a prior bad debt refund is

1 required to maintain adequate books, records or other
2 documentation to allow the department to determine whether
3 the purchase price attributed to a prior bad debt refund has
4 been collected. Information under this paragraph includes the
5 pertinent facts required by subsection (e).

6 (4) If it is determined by the department that a prior
7 bad debt has been collected, in whole or in part, and the
8 proportional tax has not been properly reported and paid to
9 the department, the person that claimed the refund on the
10 transaction shall report and pay the proportional tax to the
11 department plus applicable interest and penalty under this
12 chapter.

13 (g) Interest prohibited.--Notwithstanding the provisions of
14 section 806.1 of The Fiscal Code, no interest shall be paid by
15 the Commonwealth on refunds of sales tax attributed to bad debt
16 under this section.

17 (h) Administration.--

18 (1) No refund or credit of sales tax shall be made for
19 any uncollected purchase price or bad debt except as
20 authorized by this section.

21 (2) No deduction or credit for bad debt may be taken on
22 any return filed with the department.

23 (3) This section shall provide the exclusive procedure
24 for claiming a refund or credit of sales tax attributed to
25 uncollected purchase price or bad debt.

26 (i) Definitions.--As used in this section, the following
27 words and phrases shall have the meanings given to them in this
28 subsection unless the context clearly indicates otherwise:

29 "Affiliate." A person that is:

30 (1) An affiliated entity under section 1504(a)(1) of the
31 Internal Revenue Code of 1986.

32 (2) A person described in paragraph (1) or (2) of the
33 definition of "lender" that would be an affiliated entity,
34 under section 1504 of the Internal Revenue Code of 1986, of a
35 vendor but for the fact the person is not a corporation, an
36 assignee or another transferee of a person described in
37 paragraph (1) or (2) of the definition of "lender".

38 "Lender." Any of the following:

39 (1) A person that owns or has owned a private-label
40 credit card account purchased directly from a vendor that
41 reported the tax under this chapter.

42 (2) A person that owns or has owned a private-label
43 credit card account pursuant to a contract directly with the
44 vendor that reported the tax under this chapter.

45 (3) A person that is:

46 (i) an affiliate of a person described in paragraph

47 (1) or (2); or

48 (ii) an assignee or other transferee of a person
49 described in paragraph (1) or (2).

50 "Private-label credit card." Any charge card, credit card or
51 other instrument serving similar purpose which carries, refers

1 to or is branded with the name or logo of a vendor and which can
2 be used for purchases from the vendor. The term does not include
3 a card or instrument which may also be used to make purchases
4 from persons other than the vendor whose name or logo appears on
5 the card or instrument or that vendor's affiliates. Nothing in
6 this definition shall be construed to authorize a refund with
7 respect to bad debts attributable to sales by unrelated persons
8 referred to in this definition.

9 Section 748. Registration of transient vendors.

10 (a) General rule.--Prior to conducting business or otherwise
11 commencing operations in this Commonwealth, a transient vendor
12 shall register with the department. The application for
13 registration shall be in such form and contain such information
14 as the department, by regulation, shall prescribe and shall set
15 forth truthfully and accurately the information desired by the
16 department. This registration shall be renewed and updated
17 annually.

18 (b) Certificate to be issued.--After registration and the
19 posting of the bond required by section 748.1, the department
20 shall issue to the transient vendor a certificate valid for one
21 year. On renewal of registration, the department shall issue a
22 new certificate valid for one year, if the department is
23 satisfied that the transient vendor has complied with the
24 provisions of this chapter.

25 (c) Possession and exhibition of certificate.--The transient
26 vendor shall possess the certificate at all times when
27 conducting business within this Commonwealth and shall exhibit
28 the certificate upon demand by authorized employees of the
29 department or any law enforcement officer.

30 (d) Contents of certificate.--The certificate issued by the
31 department shall state that the transient vendor named in the
32 certificate has registered with the department and shall provide
33 notice to the transient vendor that:

34 (1) The transient vendor must notify the department in
35 writing before it enters this Commonwealth to conduct
36 business, of the location or locations where it intends to
37 conduct business and the date or dates on which it intends to
38 conduct business.

39 (2) Failure to notify or giving false information to the
40 department may result in suspension or revocation of the
41 transient vendor's certificate.

42 (3) Conducting business in this Commonwealth after a
43 certificate has been suspended or revoked may result in
44 criminal conviction and the imposition of fines or other
45 penalties.

46 Section 748.1. Bond.

47 (a) General rule.--Upon registration with the department, a
48 transient vendor shall also post a bond with the department in
49 the amount of \$500 as surety for compliance with the provisions
50 of this chapter. After a period of demonstrated compliance with
51 these provisions or, if the transient vendor provides the

1 license number of a promoter who has notified the department of
2 a show, in accordance with the provisions of section 748.6(a),
3 the department may reduce the amount of bond required of a
4 transient vendor or may eliminate the bond entirely.

5 (b) Voluntary suspension of certificate.--A transient vendor
6 may file a request for voluntary suspension of certificate with
7 the department. If the department is satisfied that the
8 provisions of this chapter have been complied with and has
9 possession of the transient vendor's certificate, it shall
10 return the bond posted to the transient vendor.

11 Section 748.2. Notification to department.

12 (a) General rule.--Prior to entering this Commonwealth to
13 conduct business, a transient vendor shall notify the department
14 in writing of the location or locations where it intends to
15 conduct business and the date or dates on which it intends to
16 conduct business.

17 (b) Inspection of records.--While conducting business in
18 this Commonwealth, the transient vendor shall permit authorized
19 employees of the department to inspect its sales records,
20 including, but not limited to, sales receipts and inventory or
21 price lists and to permit inspection of the tangible personal
22 property offered for sale at retail.

23 (c) Conditions for suspension or revocation of
24 certificate.--The department may suspend or revoke a certificate
25 issued to a transient vendor if the transient vendor:

26 (1) fails to notify the department as required by
27 subsection (a);

28 (2) provides the department with false information
29 regarding the conduct of business in this Commonwealth;

30 (3) fails to collect sales tax on all tangible personal
31 property or services sold subject to the sales tax; or

32 (4) fails to file with the department a tax return as
33 required by section 717.

34 (d) Regulations.--The department shall promulgate the rules
35 and regulations necessary to implement this section.

36 Section 748.3. Seizure of property.

37 (a) General rule.--If a transient vendor conducting business
38 in this Commonwealth fails to exhibit a valid certificate on
39 demand by authorized employees of the department, those
40 authorized employees shall seize, without warrant, the tangible
41 personal property and the automobile, truck or other means of
42 transportation used to transport or carry that property. All
43 property seized shall be deemed contraband and shall be subject
44 to immediate forfeiture proceedings instituted by the department
45 pursuant to procedures adopted by regulation, except as
46 otherwise provided by this section.

47 (b) Release of seized property.--Property seized pursuant to
48 subsection (a) shall be released on:

49 (1) presentation of a valid certificate to authorized
50 employees of the department; or

51 (2) registration by the transient vendor with the

1 department and the posting of a bond in the amount of \$500,
2 either immediately or within 15 days after the property is
3 seized.

4 Section 748.4. Fines.

5 Any transient vendor conducting business in this Commonwealth
6 while its certificate is suspended or revoked, as provided by
7 sections 748.1(b) and 748.2(c), commits a misdemeanor of the
8 third degree and, upon conviction, shall be sentenced to pay a
9 fine of not more than \$2,500 for each offense.

10 Section 748.5. Transient vendors subject to chapter.

11 Except as otherwise provided, a transient vendor shall be
12 subject to the provisions of this chapter in the same manner as
13 a vendor who maintains a place of business in this Commonwealth.

14 Section 748.6. Promoters.

15 (a) General rule.--A promoter of a show or shows in this
16 Commonwealth may annually file with the department an
17 application for a promoter's license stating the location and
18 dates of such show or shows. The application shall be filed at
19 least 30 days prior to the opening of the first show and shall
20 be in such form as the department may prescribe.

21 (b) License.--

22 (1) Except as otherwise provided in this chapter, the
23 department shall, within 15 days after receipt of an
24 application for a license, issue to the promoter without
25 charge a license to operate such shows.

26 (2) If application for a license under this section has
27 been timely filed and if the license has not been received by
28 the promoter prior to the opening of the show, the
29 authorization contained in this section with respect to the
30 obtaining of a promoter's license shall be deemed to have
31 been complied with, unless or until the promoter receives
32 notice from the department denying the application for a
33 promoter's license.

34 (c) Compliance.--Any promoter who is a vendor under the
35 provisions of section 701 shall comply with all the provisions
36 of this chapter applicable to vendors and with the provisions of
37 this section applicable to promoters.

38 (d) Prohibited conduct.--No licensed promoter shall permit
39 any person to display for sale or to sell tangible personal
40 property or services subject to tax under section 702 at a show
41 unless the person is licensed under section 708 and provides to
42 the promoter the information required under law.

43 (e) Penalties.--

44 (1) Any licensed promoter who:

45 (i) permits any person to display for sale or to
46 sell tangible personal property or service without first
47 having been licensed under section 708;

48 (ii) fails to maintain records of a show as required
49 by law; or

50 (iii) knowingly maintains false records or fails to
51 comply with any provision contained in this section or

1 any regulation promulgated by the department pertaining
2 to shows,
3 shall be subject to denial of a license or the revocation of
4 any existing license issued pursuant to this section.

5 (2) The department may deny the promoter a license
6 certificate to operate a show for a period of not more than
7 six months from the date of such denial. The penalty shall be
8 in addition to any other penalty imposed by this chapter.

9 (3) Within 20 days of notice of denial or revocation of
10 a license by the department, the promoter may petition the
11 department for a hearing pursuant to 2 Pa.C.S. (relating to
12 administrative law and procedure).

13 Section 749. (Reserved).

14 Section 750. (Reserved).

15 Section 751. (Reserved).

16 Section 752. Refunds.

17 (a) General rule.--Subject to the provisions of subsection
18 (b), the department shall, pursuant to the provisions of Article
19 XXVII of the Tax Reform Code of 1971, refund all taxes, interest
20 and penalties paid to the Commonwealth under the provisions of
21 this chapter and to which the Commonwealth is not rightfully
22 entitled. The refunds shall be made to the person, the person's
23 heirs, successors, assigns or other personal representatives,
24 who actually paid the tax.

25 (b) Exception.--No refund shall be made under this section
26 with respect to any payment made by reason of an assessment with
27 respect to which a taxpayer has filed a petition for
28 reassessment pursuant to section 2702 of the Tax Reform Code of
29 1971 to the extent that the petition has been determined
30 adversely to the taxpayer by a decision which is no longer
31 subject to further review or appeal.

32 (c) Construction.--Nothing contained in this section shall
33 be deemed to prohibit a taxpayer who has filed a timely petition
34 for reassessment from amending it to a petition for refund where
35 the petitioner has paid the tax assessed.

36 Section 753. Refund petition.

37 (a) General rule.--Except as provided for in subsection (b)
38 and section 756, the refund or credit of tax, interest or
39 penalty provided for by section 752 shall be made only where the
40 person who has actually paid the tax files a petition for refund
41 with the department under Article XXVII of the Tax Reform Code
42 of 1971, within the limits of section 3003.1 of the Tax Reform
43 Code of 1971.

44 (b) Assessments.--A refund or credit of tax, interest or
45 penalty paid as a result of an assessment made by the department
46 under section 731 shall be made only where the person who has
47 actually paid the tax files with the department a petition for a
48 refund with the department under Article XXVII of the Tax Reform
49 Code of 1971 within the time limits of section 3003.1 of the Tax
50 Reform Code of 1971. The filing of a petition for refund under
51 the provisions of this subsection shall not affect the abatement

1 of interest, additions or penalties to which the person may be
2 entitled by reason of the person's payment of the assessment.
3 Section 754. (Reserved).
4 Section 755. (Reserved).
5 Section 756. Extended time for filing special petition for
6 refund.

7 (a) General rule.--Any party to a transaction who has paid
8 tax by reason of a transaction with respect to which the
9 department is assessing tax against another person may, within
10 six months after the filing by the department of the assessment
11 against the other person, file a special petition for refund,
12 notwithstanding the person's failure to timely file a petition
13 pursuant to section 3003.1 of the Tax Reform Code of 1971. The
14 provisions of Article XXVII of the Tax Reform Code of 1971 shall
15 be applicable to the special petition for refund, except that
16 the department need not act on the petition until there is a
17 final determination as to the propriety of the assessment filed
18 against the other party to the transaction. Where a petition is
19 filed under this provision in order to take advantage of the
20 extended period of limitations, overpayments by the petitioner
21 shall be refunded but only to the extent of the actual tax,
22 without consideration of interest and penalties, paid by the
23 other party to the transaction.

24 (b) Purpose.--The purpose of this section is to avoid
25 duplicate payment of tax where a determination is made by the
26 department that one party to a transaction is subject to tax,
27 and another party to the transaction has previously paid tax
28 with respect to the transaction and, as such, this section shall
29 be construed as extending right beyond that provided for by
30 section 753, and not to limit the other section.

31 Section 757. (Reserved).

32 Section 758. Limitation on assessment and collection.

33 The amount of the tax imposed by this chapter shall be
34 assessed within three years after the date when the return
35 provided for by section 717(a) or (c) is filed or the end of the
36 year in which the tax liability arises, whichever occurs later.
37 Any assessment may be made at any time during the period
38 notwithstanding that the department may have made one or more
39 previous assessments against the taxpayer for the year in
40 question, or for any part of the year. In any case, no credit
41 shall be given for any penalty previously assessed or paid.

42 Section 759. Failure to file return.

43 Where no return is filed, the amount of the tax due may be
44 assessed and collected at any time as to taxable transactions
45 not reported.

46 Section 760. False or fraudulent return.

47 Where the taxpayer willfully files a false or fraudulent
48 return with intent to evade the tax imposed by this chapter, the
49 amount of tax due may be assessed and collected at any time.

50 Section 761. Extension of limitation period.

51 Notwithstanding any other provisions of this subchapter

1 where, before the expiration of the period prescribed in that
2 other provision for the assessment of a tax, a taxpayer has
3 consented in writing that the period be extended, the amount of
4 tax due may be assessed at any time within the extended period.
5 The period so extended may be extended further by subsequent
6 consents in writing made before the expiration of the extended
7 period.

8 Section 762. (Reserved).

9 Section 763. (Reserved).

10 Section 764. (Reserved).

11 Section 765. (Reserved).

12 Section 766. Additions to tax.

13 (a) Failure to file return.--In the case of failure to file
14 any return required by section 715 on the date prescribed for
15 the return, determined with regard to any extension of time for
16 filing, and, in the case in which a return filed understates the
17 true amount due by more than 50%, there shall be added to the
18 amount of tax actually due 5% of the amount of the tax if the
19 failure to file a proper return is for not more than one month,
20 with an additional 5% for each additional month, or fraction
21 thereof, during which such failure continues, not exceeding 25%
22 in the aggregate. In every case at least \$2 shall be added.

23 (b) Addition for understatement.--There shall be added to
24 every assessment under section 731(b) an addition equal to 5% of
25 the amount of the understatement and no addition to the tax
26 shall be paid under section 731(a).

27 Section 767. Penalties.

28 (a) General rule.--The penalties, additions, interest and
29 liabilities provided by this chapter shall be paid on notice and
30 demand by the department, and shall be assessed and collected in
31 the same manner as taxes. Except as otherwise provided, any
32 reference in this chapter to tax imposed by this chapter shall
33 be deemed also to refer to the penalties, additions, interest
34 and liabilities provided by this chapter.

35 (b) Monetary penalty.--Any person who willfully attempts, in
36 any manner, to evade or defeat the tax imposed by this chapter,
37 or the payment thereof, or to assist any other person to evade
38 or defeat the tax imposed by this chapter, or the payment
39 thereof, or to receive a refund improperly shall, in addition to
40 other penalties provided by law, be liable for a penalty equal
41 to one-half of the total amount of the tax evaded.

42 (c) Burden of proof.--In any direct proceeding arising out
43 of a petition for reassessment or refund as provided in this
44 chapter, in which an issue of fact is raised with respect to
45 whether a return is fraudulent or with respect to the propriety
46 of the imposition by the department of the penalty prescribed in
47 subsection (b), the burden of proof with respect to the issue
48 shall be on the department.

49 Section 768. Criminal offenses.

50 (a) False returns.--Any person who with intent to defraud
51 the Commonwealth willfully makes, or causes to be made, any

1 return required by this chapter which is false commits a
2 misdemeanor and, upon conviction, shall be sentenced to pay a
3 fine of not more than \$2,000 or to imprisonment not exceeding
4 three years, or both.

5 (b) Other offenses.--Except as otherwise provided by
6 subsection (a) and subject to the provisions of subsection (c),
7 any person who:

8 (1) advertises or holds out or states to the public or
9 to any purchaser or user, directly or indirectly, that the
10 tax or any part imposed by this chapter will be absorbed by
11 the person, or that it will not be added to the purchase
12 price of the tangible personal property or services described
13 in section 701(k) (2), (3), (4), (11), (12), (13), (14), (15),
14 (16), (17), (18) and (20) sold or, if added, that the tax or
15 any part will be refunded, other than when the person refunds
16 the purchase price because of the property being returned to
17 the vendor;

18 (2) sells or leases tangible personal property or the
19 services, the sale or use of which by the purchaser is
20 subject to tax under this chapter, and willfully fails to
21 collect the tax from the purchaser and timely remit the same
22 to the department;

23 (3) willfully fails or neglects to timely file any
24 return or report required by this chapter or, as a taxpayer,
25 refuses to timely pay any tax, penalty or interest imposed or
26 provided for by this chapter, or willfully fails to preserve
27 the person's books, papers and records as directed by the
28 department;

29 (4) refuses to permit the department or any of its
30 authorized agents to examine the person's books, records or
31 papers, or who knowingly makes any incomplete, false or
32 fraudulent return or report;

33 (5) does or attempts to do anything to prevent the full
34 disclosure of the amount or character of taxable sales
35 purchases or use made by himself or any other person;

36 (6) provides any person with a false statement as to the
37 payment of tax with respect to particular tangible personal
38 property or services; or

39 (7) makes, utters or issues a false or fraudulent
40 exemption certificate;

41 commits a misdemeanor and, upon conviction shall be sentenced to
42 pay a fine of not more than \$1,000 and costs of prosecution or
43 to imprisonment for not more than one year, or both.

44 (c) Exceptions.--

45 (1) Any person who maintains a place of business outside
46 this Commonwealth may absorb the tax with respect to taxable
47 sales made in the normal course of business to customers
48 present at that place of business without being subject to
49 the penalty and fines.

50 (2) Advertising tax-included prices shall be
51 permissible, if the prepaid services are sold by the service

1 provider, for prepaid telecommunications services not
2 evidenced by the transfer of tangible personal property or
3 for prepaid mobile telecommunications services.

4 (d) Penalties are cumulative.--The penalties imposed by this
5 section shall be in addition to any other penalties imposed by
6 any provision of this chapter.

7 Section 769. Abatement of additions or penalties.

8 On the filing of a petition for reassessment or a petition
9 for refund as provided under this chapter by a taxpayer,
10 additions or penalties imposed on the taxpayer by this chapter
11 may be waived or abated, in whole or in part, where the
12 petitioner has established that the petitioner has acted in good
13 faith, without negligence and with no intent to defraud.

14 Section 770. Rules and regulations.

15 (a) General rule.--The department shall enforce the
16 provisions of this chapter and shall prescribe, adopt,
17 promulgate and enforce rules and regulations not inconsistent
18 with the provisions of this chapter, relating to any matter or
19 thing pertaining to the administration and enforcement of the
20 provisions of this chapter, and the collection of taxes,
21 penalties and interest imposed by this chapter. The department
22 may prescribe the extent, if any, to which any of the rules and
23 regulations shall be applied without retroactive effect.

24 (b) Determination of purchase price.--

25 (1) In determining the purchase price of taxable sales
26 where, because of affiliation of interests between the vendor
27 and the purchaser or irrespective of any such affiliation, if
28 for any other reason, the purchase price of the sale is in
29 the opinion of the department not indicative of the true
30 value of the article or the fair price of the article, the
31 department shall, pursuant to uniform and equitable rules,
32 determine the amount of constructive purchase price on the
33 basis of which the tax shall be computed and levied.

34 (2) The rules shall provide for a constructive amount of
35 a purchase price for each sale, which price shall equal a
36 price for the article which would naturally and fairly be
37 charged in an arm's-length transaction in which the element
38 of common interests between vendor and purchaser or, if no
39 common interest exists, any other element causing a
40 distortion of the price or value is absent.

41 (3) For the purpose of this chapter where a taxable sale
42 occurs between a parent corporation and a subsidiary
43 affiliate or controlled corporation of such parent, there
44 shall be a rebuttable presumption that because of such common
45 interest the transaction was not at arm's-length.

46 Section 771. Keeping of records.

47 (a) Persons liable for taxes.--Every person liable for any
48 tax imposed by this chapter, or for the collection of the tax,
49 shall keep the records, render such statements, make the returns
50 and comply with the rules and regulations as the department may,
51 from time to time, prescribe regarding matters pertinent to the

1 person's business. Whenever in the judgment of the department it
2 is necessary, it may require any person, by notice served on the
3 person, or by regulations, to make the returns, render the
4 statements or keep the records as the department deems
5 sufficient to show whether the person is liable to pay or
6 collect tax under this chapter.

7 (b) Persons collecting taxes.--Any person liable to collect
8 tax from another person under the provisions of this chapter
9 shall file reports, keep records, make payments and be subject
10 to interest and penalties as provided for under this chapter, in
11 the same manner as if the person were directly subject to the
12 tax.

13 (c) Nonresidents.--

14 (1) A nonresident who does business in this Commonwealth
15 as a retail dealer shall keep adequate records of the
16 business and of the tax due with respect to the business,
17 which records shall at all times be retained within this
18 Commonwealth unless retention outside this Commonwealth is
19 authorized by the department.

20 (2) No taxes collected from purchasers shall be sent
21 outside this Commonwealth without the written consent of and
22 in accordance with conditions prescribed by the department.

23 (3) The department may require a taxpayer who desires to
24 retain records or tax collections outside this Commonwealth
25 to assume reasonable out-of-State audit expenses.

26 (d) Retail dealers.--

27 (1) Any person doing business as a retail dealer who at
28 the same time is engaged in another business which does not
29 involve the making of sales taxable under this chapter shall
30 keep separate books and records of the person's businesses so
31 as to show the sales taxable under this chapter separately
32 from the sales not taxable under this chapter.

33 (2) If the person fails to keep such separate books and
34 records, the person shall be liable for tax at the rate
35 designated in section 702 on the entire purchase price of
36 sales from both or all of the person's businesses.

37 (e) Segregation of taxes required.--

38 (1) In those instances where a vendor gives no sales
39 memoranda or uses registers showing only total sales, the
40 vendor shall adopt some method of segregating tax from sales
41 receipts and keep records showing the segregation, all in
42 accordance with proper accounting and business practices.

43 (2) A vendor may apply to the department for permission
44 to use a collection and recording procedure which will show
45 the information as the law requires with reasonable accuracy
46 and simplicity. The application must contain a detailed
47 description of the procedure to be adopted.

48 (3) Permission to use the proposed procedure is not to
49 be construed as relieving the vendor from remitting the full
50 amount of tax collected.

51 (4) The department may revoke the permission on 30 days'

1 notice to the vendor.

2 (5) Refusal of the department to grant permission in
3 advance to use the procedure shall not be construed to
4 invalidate a procedure which on examination shows the
5 information as the law requires.

6 Section 771.1. Reports and records of promoters.

7 Every licensed promoter shall keep a record of the date and
8 place of each show and the name, address, sales, use and hotel
9 occupancy license number of every person whom the licensed
10 promoter permits to display for sale or to sell tangible
11 personal property or services subject to tax under section 702
12 at the show. The records shall be open for inspection and
13 examination at any reasonable time by the department or a duly
14 authorized representative, and the records shall, unless the
15 department consents in writing to an earlier destruction, be
16 preserved for three years after the date the report was filed or
17 the date it was due, whichever occurs later, except that the
18 department may by regulation require that they be kept for a
19 longer period of time.

20 Section 772. Examinations.

21 (a) Power of department.--The department or any of its
22 authorized agents may examine the books, papers and records of
23 any taxpayer in order to verify the accuracy and completeness of
24 any return made or if no return was made, to ascertain and
25 assess the tax imposed by this chapter. The department may
26 require the preservation of all such books, papers and records
27 for any period deemed proper by it but not to exceed three years
28 from the end of the calendar year to which the records relate.

29 (b) Duty of taxpayers.--Every taxpayer shall give to the
30 department, or its agent, the means, facilities and opportunity
31 for the examinations and investigation.

32 (c) Other powers of department.--

33 (1) The department is further authorized to examine any
34 person, under oath, concerning taxable sales or use by any
35 taxpayer or concerning any other matter relating to the
36 enforcement or administration of this chapter, and to this
37 end may compel the production of books, papers and records
38 and the attendance of all persons whether as parties or
39 witnesses whom it believes to have knowledge of such matters.

40 (2) The procedure for such hearings or examinations
41 shall be the same as that provided by The Fiscal Code
42 relating to inquisitorial powers of fiscal officers.

43 Section 773. Records and examinations of delivery agents.

44 Every agent for the purpose of delivery of goods shipped into
45 this Commonwealth by a nonresident, including, but not limited
46 to, a common carrier, shall maintain adequate records of such
47 deliveries pursuant to rules and regulations adopted by the
48 department and shall make the records available to the
49 department upon request after due notice.

50 Section 774. Unauthorized disclosure.

51 Any information gained by the department as a result of any

1 return, examination, investigation, hearing or verification
2 required or authorized by this chapter shall be confidential,
3 except for official purposes and except in accordance with
4 proper judicial order or as otherwise provided by law, and any
5 person unlawfully divulging such information commits a
6 misdemeanor and, upon conviction, shall be sentenced to pay a
7 fine of not more than \$1,000 and costs of prosecution or to
8 imprisonment for not more than one year, or both.

9 Section 775. Cooperation with other governments.

10 Notwithstanding the provisions of section 774, the department
11 may permit the Commissioner of Internal Revenue of the United
12 States, or the proper officer of any state, or the authorized
13 representative of either such officer, to inspect the tax
14 returns of any taxpayer, or may furnish to the officer or to the
15 officer's authorized representative an abstract of the return of
16 any taxpayer, or supply the officer or the authorized
17 representative with information concerning any item contained in
18 any return or disclosed by the report of any examination or
19 investigation of the return of any taxpayer. This permission
20 shall be granted only if the statutes of the United States or of
21 such other state, as the case may be, grant substantially
22 similar privileges to the proper officer of the Commonwealth
23 charged with the administration of this chapter.

24 Section 776. Interstate compacts.

25 (a) General rule.--The Governor, or the Governor's
26 authorized representative, may confer with the Governor and the
27 authorized representatives of other states with respect to
28 reciprocal use tax collection between the Commonwealth and such
29 other states.

30 (b) Other powers.--The Governor, or the Governor's
31 authorized representative, may join with the authorities of
32 other states to conduct joint investigations, to exchange
33 information, hold joint hearings and enter into compacts or
34 interstate agreements with such other states to accomplish
35 uniform reciprocal use tax collections between those states who
36 are parties to any compact or interstate agreement and the
37 Commonwealth.

38 Section 777. Bonds.

39 (a) Procedure.--

40 (1) Whenever the department, in its discretion, deems it
41 necessary to protect the revenues to be obtained under the
42 provisions of this chapter, it may require any nonresident
43 natural person or any foreign corporation, association,
44 fiduciary, partnership or other entity, not authorized to do
45 in this Commonwealth or not having an established place of
46 business in this Commonwealth and subject to the tax imposed
47 by section 702, to file a bond issued by a surety company
48 authorized to do business in this Commonwealth and approved
49 by the Insurance Commissioner as to solvency and
50 responsibility, in such amounts as it may fix, to secure the
51 payment of any tax or penalties due, or which may become due,

1 from a natural person or corporation.

2 (2) In order to protect the revenues to be obtained
3 under the provisions of this chapter, the department shall
4 require any nonresident natural person or any foreign
5 corporation, association, fiduciary, partnership or entity,
6 who or which is a building contractor, or who or which is a
7 supplier delivering building materials for work in this
8 Commonwealth and is not authorized to do business in this
9 Commonwealth or does not have an established place of
10 business in this Commonwealth and is subject to the tax
11 imposed by section 702, to file a bond issued by a surety
12 company authorized to do business in this Commonwealth and
13 approved by the Insurance Commissioner as to solvency and
14 responsibility, in the amounts as it may fix, to secure the
15 payments of any tax or penalties due, or which may become
16 due, from a natural person, corporation or other entity.

17 (3) The department may also require a bond of any person
18 petitioning the department for reassessment, in the case of
19 any assessment over \$500 or where it is of the opinion that
20 the ultimate collection is in jeopardy.

21 (4) (i) The department may, for a period of three
22 years, require a bond of any person who has on three or
23 more occasions within a 12-month period either filed a
24 return or made payment to the department more than 30
25 days late.

26 (ii) If the department determines that a taxpayer is
27 to file a bond, the department shall give notice to the
28 taxpayer to that effect, specifying the amount of the
29 bond required.

30 (iii) The taxpayer shall file a bond within five
31 days after the giving of the notice by the department
32 unless, within the five-day period, the taxpayer requests
33 in writing a hearing before the secretary or the
34 secretary's representative at which hearing the
35 necessity, propriety and amount of the bond shall be
36 determined by the secretary or a representative. The
37 determination shall be final and shall be complied within
38 15 days after notice is mailed to the taxpayer.

39 (b) Alternative security.--

40 (1) In lieu of the bond required by this section,
41 securities approved by the department, or cash in the amount
42 as it may prescribe, may be deposited.

43 (2) Such securities or cash shall be kept in the custody
44 of the department, who may, at any time, without notice to
45 the depositor, apply them to any tax and/or interest or
46 penalties due, and for that purpose the securities may be
47 sold by the department, at public or private sale, on five
48 days' written notice to the depositor.

49 (c) Lien may be filed.--

50 (1) The department may file a lien pursuant to section
51 742 against any taxpayer who fails to file a bond when

1 required to do so under this section.

2 (2) All funds received on execution of the judgment on
3 the lien shall be refunded to the taxpayer with 3% interest
4 should a final determination be made that the taxpayer does
5 not owe any payment to the department.

6 Section 778. Remote sales reports.

7 (a) Duty to submit.--Within 90 days of the publication of
8 the notice under subsection (b), the Independent Fiscal Office,
9 in conjunction with the department, shall submit a detailed
10 report to the chairman and minority chairman of the
11 Appropriations Committee of the Senate, the chairman and
12 minority chairman of the Finance Committee of the Senate, the
13 chairman and minority chairman of the Appropriations Committee
14 of the House of Representatives and the chairman and minority
15 chairman of the Finance Committee of the House of
16 Representatives outlining the plans concerning the
17 implementation of the legislation referenced in subsection (b)
18 or other substantially similar Federal legislation, which would
19 grant the Commonwealth the authority to impose and collect the
20 tax under this chapter due on sales from remote sellers. The
21 report shall include all of the following:

22 (1) The amount of State funds necessary to implement the
23 legislation referenced in subsection (b) or other
24 substantially similar legislation. The amount needed shall be
25 itemized and all costs, including personnel, office expenses
26 and other related costs, shall be included.

27 (2) The amount of State tax revenue expected to result
28 from the implementation of the legislation referenced in
29 subsection (b) or other substantially similar legislation for
30 the fiscal year and for five fiscal years thereafter.

31 (3) The source of funds which will be utilized to pay
32 for the legislation referenced in subsection (b) or other
33 substantially similar legislation implementation program.

34 (4) The legal and practical issues concerning the
35 propriety of collecting and enforcing the tax imposed under
36 this chapter from remote sellers.

37 (5) The number of other states which have a similar law
38 in effect and the success or deficiencies of the law.

39 (6) Proposed draft legislation concerning the
40 implementation of the legislation referenced in subsection
41 (b) or other substantially similar legislation.

42 (7) A detailed timetable on when separate tasks must be
43 completed for full implementation on an estimated start date.

44 (b) Notice in the Pennsylvania Bulletin.--The secretary
45 shall publish notice in the Pennsylvania Bulletin that Federal
46 legislation relating to remote sellers has been enacted.

47 SUBCHAPTER G

48 FUNDING PROVISIONS

49 Section 780. (Reserved).

50 Section 781. Appropriation for refunds.

51 So much of the proceeds of the tax imposed by this chapter as

1 shall be necessary for the payment of refunds, enforcement or
2 administration under this chapter is hereby appropriated for
3 those purposes.

4 Section 781.1. Construction.

5 To the extent that the language of this chapter is identical
6 to that of equivalent provisions in the former act of March 6,
7 1956 (P.L.1228, No.381), known as the Tax Act of 1963 for
8 Education, or Article II of the Tax Reform Code of 1971, that
9 language shall be deemed a reenactment of such identical
10 provisions.

11 Section 782. Transfers to Education Stabilization Fund.

12 (a) Deposit of sales and use tax and hotel occupancy tax
13 collected.--The secretary shall deposit into the Education
14 Stabilization Fund revenues received on or after January 1,
15 2016, regardless of the transaction date, that equal the portion
16 of the tax imposed by this chapter as follows:

17 (1) Except as otherwise provided in section 2301 of the
18 Tax Reform Code of 1971 providing for the establishment of
19 the Public Transportation Assistance Fund, 39.6% of the tax
20 collected on the sales at retail and use of tangible personal
21 property and services as provided in Subchapter B.

22 (2) One-seventh of the hotel occupancy tax collected
23 under Subchapter E.

24 (b) (Reserved).

25 Section 783. Transfers to Public Transportation Assistance
26 Fund.

27 (a) General rule.--All revenues received on or after July 1,
28 1992, from the imposition of tax on periodicals shall be
29 transferred to the Public Transportation Assistance Fund
30 according to the formula set forth in subsection (b).

31 (b) Transfer.--Within 30 days of the close of any calendar
32 month, 0.596% of the taxes received in the previous month under
33 this chapter, less any amounts collected in that previous
34 calendar month under former 74 Pa.C.S. § 1314(d) (relating to
35 Public Assistance Transportation Fund), shall be transferred to
36 the Public Transportation Assistance Fund.

37 (c) Deposit.--In fiscal year 1991-1992, the Secretary of
38 Revenue shall ensure that \$10,000,000 is deposited into the
39 Public Assistance Transportation Fund from the combination of
40 revenues received under former 74 Pa.C.S. § 1314(d) and
41 transfers of periodical taxes received under this chapter.

42 (d) Revenue.--Commencing February 20, 2016, and
43 notwithstanding the provisions of 74 Pa.C.S. § 1506(c)(1)
44 (relating to fund) to the contrary, the revenues deposited into
45 the Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c)
46 (1) shall be 2.769% of the amount collected under this chapter.
47 The amounts required to be deposited into the Public
48 Transportation Trust Fund under this subsection are estimated to
49 be equivalent to the revenue that would be deposited into the
50 Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c)(1)
51 if the amendments to section 702 were not enacted.

1 CHAPTER 9

2 (RESERVED)

3 CHAPTER 11

4 LIMITATIONS ON

5 SCHOOL DISTRICT TAXATION

6 Section 1101. Authority to levy taxes and effect of future
7 Constitutional amendment.

8 (a) Abrogating authority to impose certain taxes.--

9 (1) The authority of any school district to levy, assess
10 and collect any real property tax under the Public School
11 Code of 1949, or any other act shall expire, subject to the
12 provisions of section 1102, January 1, 2016.

13 (2) The authority of a city of the first class to impose
14 or continue to provide for the imposition or continuation of
15 the real property tax, for the use of a school district of
16 the first class shall expire in accordance with section
17 1102(b).

18 (b) Collection of certain taxes unaffected.--The provisions
19 of this section or any other provision of this act shall not
20 prevent or interfere with any action of any school district to
21 collect any tax owed by any taxpayer prior to the repeal of any
22 law authorizing such tax after such law is repealed pursuant to
23 this act.

24 (c) Limitations on adoption of personal income taxes and
25 earned income taxes authorized under Chapter 3.--A school
26 district that adopts a personal income tax pursuant to Chapter 3
27 may not adopt an earned income tax. A school district that
28 adopts an earned income tax under Chapter 3 may not adopt a
29 personal income tax.

30 Section 1102. Transitional taxes.

31 (a) Transitional taxes for school districts other than
32 school districts of the first class.--Notwithstanding any other
33 provision of the Public School Code of 1949 or any other law to
34 the contrary:

35 (1) Any school district, other than a school district of
36 the first class, may continue to levy, assess and collect a
37 real property tax in existence on June 30, 2016, at the rates
38 in effect on that date for the use of a school district for
39 fiscal year 2016-2017.

40 (2) Except as provided in section 1101(b), for all
41 fiscal years beginning after June 30, 2016, no school
42 district shall have any power or authority to levy, assess
43 and collect any real property tax, except as necessary to
44 fund the annual debt service payments for its outstanding
45 debt in existence on June 30, 2015.

46 (b) Transitional taxes for school districts of the first
47 class.--Notwithstanding any other provision of the Public School
48 Code of 1949 or any other law to the contrary:

49 (1) Any school district of the first class and city of
50 the first class may continue to levy, assess and collect a
51 real property tax in existence on July 31, 2015, at the rates

1 in effect on that date for the use of a coterminous school
2 district of the first class for fiscal year 2015-2016.

3 (2) Except as provided in section 1101(b), for all
4 fiscal years beginning after June 30, 2016, no city of the
5 first class shall have any power or authority to levy, assess
6 and collect a real property tax for school purposes, except
7 as necessary to fund the annual debt service payments for its
8 outstanding debt in existence on June 30, 2015.

9 Section 1103. Consideration of State appropriations or
10 reimbursements.

11 The personal income or earned income tax levied shall not be
12 invalidated by reason of the fact that in determining the amount
13 to be raised by such tax no deduction was made for
14 appropriations or reimbursements paid or payable by the
15 Commonwealth to the school district.

16 Section 1104. Taxes for cities and school districts of the
17 first class.

18 Notwithstanding any other provision of the Public School Code
19 of 1949 or any other law to the contrary, nothing in this act
20 shall be construed to limit or impair a city of the first class
21 from levying, assessing or collecting any tax for municipal
22 purposes or from increasing the millage for real estate taxes or
23 revenues if the revenues derived from the real property tax are
24 used solely for municipal purposes.

25 CHAPTER 12
26 INDEBTEDNESS

27 Section 1201. (Reserved).

28 Section 1202. Notices and reporting by school districts of debt
29 outstanding.

30 (a) Duties.--

31 (1) Each school district, including a school district of
32 the first class, shall identify the outstanding amount of all
33 electoral debt, lease rental debt or nonelectoral debt
34 incurred as of June 30, 2015.

35 (2) On or before June 30, 2015, each school district,
36 including a school district of the first class, shall certify
37 and report to the Department of Revenue the outstanding
38 amount of all electoral debt, lease rental debt or
39 nonelectoral debt incurred as of June 30, 2015, together with
40 any information requested by the department in order for the
41 Commonwealth to comply with requirements of this section.

42 (b) Audit by Department of Revenue.--

43 (1) The Department of Revenue shall audit each report
44 submitted under subsection (a) and shall certify the amount
45 of each report and the total aggregate amount of all reports
46 to the State Treasurer on or before March 31, 2016.

47 (2) If the Department of Revenue disputes all or any
48 portion of a report submitted under subsection (a), the
49 department shall not include such amount in the certification
50 to the State Treasurer and shall notify the school district
51 in writing of the exclusion from the certification.

CHAPTER 13
FUNDING PROVISIONS

Section 1301. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Base revenue." The money a school district receives from school property taxes during fiscal year 2015-2016 less the amount necessary to fund the annual debt service payments for its outstanding debt in existence on June 30, 2015.

"Cost of living factor." The lesser of:

(1) the percentage increase in the Statewide average weekly wage, as defined in 53 Pa.C.S. § 8401 (relating to definitions), from the previous calendar year; or

(2) the average of the percentage increase in sales and use tax collected under section 702 and the tax upon each dollar income collected under section 401(b)(1) and the percentage increase of the hotel occupancy tax collected under section 710 from the previous calendar year.

"Department." The Department of Education of the Commonwealth.

"Fund." The Education Stabilization Fund established in section 1302.

Section 1302. Education Stabilization Fund.

(a) Establishment.--The Education Stabilization Fund is established as a separate fund in the State Treasury.

(b) Use.--The department shall use the fund to make disbursements under section 1303.

(c) Continuing appropriation.--The money of the fund is hereby continuously appropriated to the department as provided in this act. This appropriation shall not lapse at the end of any fiscal year.

Section 1302.1. Sources and transfers.

(a) Deposit.--The following shall be deposited into the fund:

(1) Money remaining in the Property Tax Relief Fund following utilization of funds to provide tax relief in cities of the first class under Chapters 5 and 7 of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, and for property tax and rent rebates under Chapter 14.

(2) Money collected by the department under section 401.

(3) Money collected by the department under Chapter 7.

(4) Appropriations.

(5) Return on money in the fund.

(b) Transfer from the fund.--

(1) No later than June 30, 2017, and each June 30 thereafter, an amount equal to the refund reimbursement factor multiplied by the amount of refunds issued under Article III of the Tax Reform Code of 1971 for tax years in which the tax imposed under Chapter 4 is applicable, shall be

1 transferred from the Education Stabilization Fund to the
2 General Fund.

3 (2) For the purpose of this subsection, "refund
4 reimbursement factor" means a fraction equal to the rate of
5 tax imposed under Chapter 4 divided by the sum of the rate of
6 tax imposed under Chapter 4 plus the rate of tax imposed
7 under Article III of the Tax Reform Code of 1971.

8 Section 1303. Standard disbursements to school districts from
9 Education Stabilization Fund.

10 (a) General rule.--In fiscal year 2016-2017, the department
11 shall disburse to each school district an amount equal to the
12 school district's base revenue multiplied by the cost-of-living
13 factor.

14 (b) Annual adjustment.--In fiscal year 2017-2018 and each
15 fiscal year thereafter, the department shall disburse to a
16 school district an amount equal to the sum of the following:

17 (1) The amount received by the school district in the
18 prior fiscal year under this section.

19 (2) The amount received by the school district in the
20 prior fiscal year under this section multiplied by the cost-
21 of-living factor.

22 CHAPTER 14

23 SENIOR CITIZENS PROPERTY TAX AND 24 RENT REBATE ASSISTANCE

25 Section 1401. Scope of chapter.

26 This chapter provides senior citizens with assistance in the
27 form of property tax and rent rebates.

28 Section 1402. (Reserved).

29 Section 1403. Definitions.

30 The following words and phrases when used in this chapter
31 shall have the meanings given to them in this section unless the
32 context clearly indicates otherwise:

33 "Board." The Board of Finance and Revenue of the
34 Commonwealth.

35 "Claimant." A person who files a claim for property tax
36 rebate or rent rebate in lieu of property taxes and:

37 (1) was at least 65 years of age or whose spouse, if a
38 member of the household, was at least 65 years of age during
39 a calendar year in which real property taxes or rent were due
40 and payable;

41 (2) was a widow or widower and was at least 50 years of
42 age during a calendar year or part thereof in which real
43 property taxes or rent were due and payable; or

44 (3) was a permanently disabled person 18 years of age or
45 older during a calendar year or part thereof in which the
46 real property taxes or rent were due and payable.

47 "Department." The Department of Revenue of the Commonwealth.

48 "Homestead." A dwelling, whether owned or rented, and so
49 much of the land surrounding it, as is reasonably necessary for
50 the use of the dwelling as a home, occupied by a claimant. The
51 term includes, but is not limited to:

1 (1) Premises occupied by reason of ownership or lease in
2 a cooperative housing corporation.

3 (2) Mobile homes which are assessed as realty for local
4 property tax purposes and the land, if owned or rented by the
5 claimant, upon which the mobile home is situated, and other
6 similar living accommodations.

7 (3) A part of a multidwelling or multipurpose building
8 and a part of the land upon which it is built.

9 (4) Premises occupied by reason of the claimant's
10 ownership or rental of a dwelling located on land owned by a
11 nonprofit incorporated association, of which the claimant is
12 a member, if the claimant is required to pay a pro rata share
13 of the property taxes levied against the association's land.

14 (5) Premises occupied by a claimant if the claimant is
15 required by law to pay a property tax by reason of the
16 claimant's ownership or rental, including a possessory
17 interest, in the dwelling, the land or both. An owner
18 includes a person in possession under a contract of sale,
19 deed of trust, life estate, joint tenancy or tenancy in
20 common or by reason of statutes of descent and distribution.

21 "Household income." All income received by a claimant and
22 the claimant's spouse while residing in the homestead during the
23 calendar year for which a rebate is claimed.

24 "Income." All income from whatever source derived,
25 including, but not limited to:

26 (1) Salaries, wages, bonuses, commissions, income from
27 self-employment, alimony, support money, cash public
28 assistance and relief.

29 (2) The gross amount of any pensions or annuities,
30 including railroad retirement benefits for calendar years
31 prior to 1999 and 50% of railroad retirement benefits for
32 calendar years 1999 and thereafter.

33 (3) (i) All benefits received under the Social Security
34 Act (49 Stat. 620, 42 U.S.C. § 301 et seq.), except
35 Medicare benefits, for calendar years prior to 1999, and
36 50% of all benefits received under the Social Security
37 Act, except Medicare benefits, for calendar years 1999
38 and thereafter.

39 (ii) Notwithstanding any other provision of this act
40 to the contrary, persons who, as of December 31, 2012,
41 are eligible for the property tax or rent rebate shall
42 remain eligible if the household income limit is exceeded
43 due solely to a Social Security cost-of-living
44 adjustment.

45 (iii) Eligibility in the property tax and rent
46 rebate program pursuant to subparagraph (ii) shall expire
47 on December 31, 2016.

48 (4) All benefits received under State unemployment
49 insurance laws.

50 (5) All interest received from the Federal or any state
51 government or any instrumentality or political subdivision

1 thereof.

2 (6) Realized capital gains and rentals.

3 (7) Workers' compensation.

4 (8) The gross amount of loss of time insurance benefits,
5 life insurance benefits and proceeds, except the first \$5,000
6 of the total of death benefit payments.

7 (9) Gifts of cash or property, other than transfers by
8 gift between members of a household, in excess of a total
9 value of \$300.

10 The term does not include surplus food or other relief in kind
11 supplied by a governmental agency, property tax or rent rebate,
12 inflation dividend dividend, Federal veterans' disability
13 payments or State veterans' benefit.

14 "Permanently disabled person." A person who is unable to
15 engage in any substantial gainful activity by reason of any
16 medically determinable physical or mental impairment which can
17 be expected to continue indefinitely, except as provided in
18 section 1404(b)(3) and (c).

19 "Real property taxes." All taxes on a homestead, exclusive
20 of municipal assessments, delinquent charges and interest, due
21 and payable during a calendar year.

22 "Rent rebate in lieu of property taxes." Twenty percent of
23 the gross amount actually paid in cash or its equivalent in any
24 calendar year to a landlord in connection with the occupancy of
25 a homestead by a claimant, irrespective of whether such amount
26 constitutes payment solely for the right of occupancy or
27 otherwise.

28 "Secretary." The Secretary of Revenue of the Commonwealth.

29 "State veterans' benefits." Service-connected compensation
30 or benefits of any kind provided to a veteran or an unmarried
31 surviving spouse of a veteran by a Commonwealth agency or
32 authorized under the laws of this Commonwealth.

33 "Taxpayer Relief Act." The act of June 27, 2006 (1st
34 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

35 "Widow" or "widower." The surviving wife or the surviving
36 husband, as the case may be, of a deceased individual and who
37 has not remarried except as provided in section 1404(b)(3) and
38 (c).

39 Section 1404. Property tax; and rent rebate.

40 (a) Schedule of rebates.--

41 (1) The amount of any claim for property tax rebate or
42 rent rebate in lieu of property taxes for real property taxes
43 or rent due and payable during calendar years 1985 through
44 2005 shall be determined in accordance with the following
45 schedule:

Household Income	Percentage of Real Property Taxes or Rent Rebate in Lieu of Property Taxes Allowed as Rebate
\$ 0 - \$ 4,999	100%
5,000 - 5,499	100
5,500 - 5,999	90

1	6,000 - 6,499	80
2	6,500 - 6,999	70
3	7,000 - 7,499	60
4	7,500 - 7,999	50
5	8,000 - 8,499	40
6	8,500 - 8,999	35
7	9,000 - 9,999	25
8	10,000 - 11,999	20
9	12,000 - 12,999	15
10	13,000 - 15,000	10

11 (2) The following apply:

12 (i) The base amount of any claim for property tax
 13 rebate for real property taxes due and payable during
 14 calendar year 2006 and thereafter shall be determined in
 15 accordance with the following schedule:

16 Household Income	Amount of Real Property Taxes 17 Allowed as Rebate
18 \$ 0 - \$ 8,000	\$650
19 8,001 - 15,000	500
20 15,001 - 18,000	300
21 18,001 - 35,000	250

22 (ii) The supplemental amount for a claimant with a
 23 household income equal to or less than \$30,000 and an
 24 eligible claim for property tax rebate for real property
 25 taxes due and payable during the calendar year preceding
 26 the first year in which a payment under section 505(b) of
 27 the Taxpayer Relief Act is made and each year thereafter
 28 and whose real property taxes exceed 15% of the
 29 claimant's household income shall be equal to 50% of the
 30 base amount determined under subparagraph (i). A claimant
 31 who is a resident of a city of the first class, a city of
 32 the second class A or a school district of the first
 33 class A shall be ineligible for the supplemental amount
 34 under this subparagraph.

35 (3) The amount of any claim for rent rebate in lieu of
 36 property taxes for rent due and payable during calendar year
 37 2006 and thereafter shall be determined in accordance with
 38 the following:

39 Household Income	Amount of Rent Rebate in 40 Lieu of Property Taxes 41 Allowed as Rebate
42 \$ 0 - \$ 8,000	\$650
43 8,001 - 15,000	500

44 (b) Limitations on claims.--

45 (1) No claim through calendar year 2005 shall be allowed
 46 if the amount of property tax or rent rebate computed in
 47 accordance with this section is less than \$10, and the
 48 maximum amount of property tax or rent rebate payable shall
 49 not exceed \$500.

50 (2) For calendar year 2006 and thereafter, the maximum
 51 amount of property tax or rent rebate in lieu of property

1 taxes payable shall not exceed the lesser of:

- 2 (i) the amount of a claim under subsection (a)(2) or
3 (3);
4 (ii) the amount of real property taxes actually
5 paid; or
6 (iii) 20% of gross rent actually paid.

7 (3) No claim shall be allowed if the claimant is a
8 tenant of an owner of real property exempt from real property
9 taxes.

10 (c) Apportionment and public assistance.--

11 (1) If any of the following exist relating to a claim:

12 (i) a homestead is owned or rented and occupied for
13 only a portion of a year or is owned or rented in part by
14 a person who does not meet the qualifications for a
15 claimant, exclusive of any interest owned or leased by a
16 claimant's spouse;

17 (ii) the claimant is a widow or widower who
18 remarries; or

19 (iii) the claimant is a formerly disabled person who
20 is no longer disabled,

21 the department shall apportion the real property taxes or
22 rent in accordance with the period or degree of ownership or
23 leasehold or eligibility of the claimant in determining the
24 amount of rebate for which a claimant is eligible.

25 (2) A claimant who receives public assistance from the
26 Department of Public Welfare shall not be eligible for rent
27 rebate in lieu of property taxes during those months within
28 which the claimant receives public assistance.

29 (d) Government subsidies.--Rent shall not include subsidies
30 provided by or through a governmental agency.

31 Section 1405. Filing of claim.

32 (a) General rule.--Except as otherwise provided in
33 subsection (b), a claim for property tax or rent rebate shall be
34 filed with the department on or before the 30th day of June of
35 the year next succeeding the end of the calendar year in which
36 real property taxes or rent was due and payable.

37 (b) Exception.--A claim filed after the June 30 deadline
38 until December 31 of such calendar year shall be accepted by the
39 secretary as long as funds are available to pay the benefits to
40 the late filing claimant.

41 (c) Payments from State Lottery Fund.--No reimbursement on a
42 claim shall be made from the State Lottery Fund earlier than the
43 day following the 30th day of June provided in this chapter on
44 which that claim may be filed with the department.

45 (d) Eligibility of claimants.--

46 (1) Only one claimant from a homestead each year shall
47 be entitled to the property tax or rent rebate.

48 (2) If two or more persons are able to meet the
49 qualifications for a claimant, they may determine who the
50 claimant shall be.

51 (3) If they are unable to agree, the department shall

1 determine to whom the rebate is to be paid.

2 Section 1406. Proof of claim.

3 (a) Contents.--Each claim shall include:

4 (1) Reasonable proof of household income.

5 (2) The size and nature of the property claimed as a
6 homestead.

7 (3) The rent, tax receipt or other proof that the real
8 property taxes on the homestead have been paid or rent in
9 connection with the occupancy of a homestead has been paid.

10 (4) If the claimant is a widow or widower, a declaration
11 of such status in such manner as prescribed by the secretary.

12 (b) Proof of disability.--

13 (1) Proof that a claimant is eligible to receive
14 disability benefits under the Social Security Act (49 Stat.
15 620, 42 U.S.C. § 301 et seq.) shall constitute proof of
16 disability under this chapter.

17 (2) No person who has been found not to be disabled by
18 the Social Security Administration shall be granted a rebate
19 under this chapter.

20 (3) A claimant not covered under the Social Security Act
21 shall be examined by a physician designated by the department
22 and such status determined using the same standards used by
23 the Social Security Administration.

24 (c) Direct payment of taxes or rent not required.--It shall
25 not be necessary that such taxes or rent were paid directly by
26 the claimant if the rent or taxes have been paid when the claim
27 is filed.

28 (d) Proof of age on first claim.--The first claim filed
29 shall include proof that the claimant or the claimant's spouse
30 was at least 65 years of age, or at least 50 years of age in the
31 case of a widow or widower during the calendar year in which
32 real property taxes or rent were due and payable.

33 Section 1407. Incorrect claim.

34 Whenever on audit of a claim the department finds the claim
35 to have been incorrectly determined, it shall redetermine the
36 correct amount of the claim and notify the claimant of the
37 reason for the redetermination and the amount of the corrected
38 claim.

39 Section 1408. Funds for payment of claims.

40 (a) Payment.--Approved claims shall be paid from the State
41 Lottery Fund established by the act of August 26, 1971 (P.L.351,
42 No.91), known as the State Lottery Law.

43 (b) Transfers.--The Secretary of the Budget shall transfer
44 the following amounts from the Property Tax Relief Fund to the
45 State Lottery:

46 (1) Notwithstanding any other provision of law, an
47 amount equal to \$100,000,000 of the total slot machine
48 license fees paid by successful applicants for a Category 1
49 slot machine license under 4 Pa.C.S. § 1209 (relating to slot
50 machine license fee). The transfer under this paragraph shall
51 occur upon deposit in the Property Tax Relief Fund of moneys

1 derived from the fee from the fourth successful applicant for
2 a Category 1 slot machine license.

3 (2) Notwithstanding any other provision of law, an
4 amount equal to \$100,000,000 of the total slot machine
5 license fees paid by successful applicants for a Category 2
6 slot machine license under 4 Pa.C.S. § 1209. The transfer
7 under this paragraph shall occur upon deposit in the Property
8 Tax Relief Fund of moneys derived from the fee from the third
9 successful applicant for a Category 2 slot machine license.

10 (3) For fiscal years 2007-2008 and 2008-2009, an amount
11 equal to the sum of approved claims to be paid in each of
12 those fiscal years under sections 704 of the Taxpayer Relief
13 Act and 1404(a)(2)(ii), if any.

14 (4) For fiscal year 2009-2010 and each fiscal year
15 thereafter, all of the following:

16 (i) The difference between the sum of the amount of
17 approved claims to be paid in the next fiscal year under
18 section 1404(a)(2)(i) and (3) and the amount of approved
19 claims paid in fiscal year 2006-2007 under section
20 1404(a)(1).

21 (ii) The sum of the amount of approved claims to be
22 paid in the next fiscal year under sections 704 of the
23 Taxpayer Relief Act and 1404(a)(2)(ii), if any.

24 (5) Beginning in fiscal year 2009-2010 and until the
25 difference between the sum of subparagraphs (i) and (ii) and
26 \$200,000,000 is paid, an amount of not less than \$40,000,000
27 annually or the amount of the difference, whichever is less.
28 All transfers under this paragraph shall be completed no
29 later than four years after the transfer required by
30 paragraph (2).

31 (i) The difference between the sum of the amount of
32 approved claims to be paid in fiscal year 2007-2008 under
33 section 1404(a)(2)(i) and (3) and the amount of approved
34 claims paid in fiscal year 2006-2007 under section
35 1404(a)(1).

36 (ii) The difference between the sum of the amount of
37 approved claims to be paid in fiscal year 2008-2009 under
38 section 1404(a)(2)(i) and (3) and the amount of approved
39 claims paid in fiscal year 2006-2007 under section
40 1404(a)(1).

41 Section 1409. Claim forms and rules and regulations.

42 (a) General rule.--Necessary rules and regulations shall be
43 prescribed by a committee consisting of the Secretary of Aging,
44 the Secretary of Revenue and the Secretary of Community and
45 Economic Development. The Secretary of Aging shall serve as the
46 chairman of the committee. The department shall receive all
47 applications, determine the eligibility of claimants, hear
48 appeals, disburse payments and make available suitable forms for
49 the filing of claims.

50 (b) Report to General Assembly.--In addition to any rules
51 and regulations prescribed under subsection (a), the department

1 shall collect the following information and issue a report
2 including such information to the chairman and minority chairman
3 of the Appropriations Committee of the Senate and the chairman
4 and minority chairman of the Appropriations Committee of the
5 House of Representatives by September 30, 2006, and September 30
6 of each year thereafter.

7 (1) The total number of claims which will be paid in the
8 fiscal year in which the report is issued with the
9 information provided by school district, by county and for
10 each household income level under section 1404(a)(2)(i).

11 (2) The total amount of rebates paid in the fiscal year
12 in which the report is issued with the information provided
13 by school district, by county and for each household income
14 level under section 1404(a)(2)(i).

15 Section 1410. Fraudulent claims and conveyances to obtain
16 benefits.

17 (a) Civil penalty.--In any case in which a claim is
18 excessive and was filed with fraudulent intent, the claim shall
19 be disallowed in full, and a penalty of 25% of the amount
20 claimed shall be imposed. The penalty and the amount of the
21 disallowed claim, if the claim has been paid, shall bear
22 interest at the rate of 1.5% per month from the date of the
23 claim until repaid.

24 (b) Criminal penalty.--The claimant and any person who
25 assisted in the preparation or filing of a fraudulent claim
26 commits a misdemeanor of the third degree and, upon conviction
27 thereof, shall be sentenced to pay a fine not exceeding \$1,000
28 or to imprisonment not exceeding one year, or both.

29 (c) Disallowance for receipt of title.--A claim shall be
30 disallowed if the claimant received title to the homestead
31 primarily for the purpose of receiving property tax rebate.
32 Section 1411. Petition for redetermination.

33 (a) Right to file.--A claimant whose claim is either denied,
34 corrected or otherwise adversely affected by the department may
35 file with the department a petition for redetermination on forms
36 supplied by the department within 90 days after the date of
37 mailing of written notice by the department of such action.

38 (b) Contents.--The petition shall set forth the grounds upon
39 which the claimant alleges that such departmental action is
40 erroneous or unlawful, in whole or part, and shall contain an
41 affidavit or affirmation that the facts contained in the
42 petition are true and correct.

43 (c) Extension of time for filing.--

44 (1) An extension of time for filing the petition may be
45 allowed for cause but may not exceed 120 days.

46 (2) The department shall hold such hearings as may be
47 necessary for the purpose of redetermination, and each
48 claimant who has duly filed such petition for redetermination
49 shall be notified by the department of the time when and the
50 place where such hearing in the claimant's case will be held.

51 (d) Time period for decision.--The department shall, within

1 six months after receiving a filed petition for redetermination,
2 dispose of the matters raised by such petition and shall mail
3 notice of the department's decision to the claimant.

4 Section 1412. Review by Board of Finance and Revenue.

5 (a) Right to review.--Within 90 days after the date of
6 official receipt by the claimant of notice mailed by the
7 department of its decision on a petition for redetermination
8 filed with it, the claimant who is adversely affected by the
9 decision may by petition request the board to review such
10 action.

11 (b) Effect of no decision from department.--The failure of
12 the department to officially notify the claimant of a decision
13 within the six-month period provided for by section 1411 shall
14 act as a denial of the petition, and a petition for review may
15 be filed with the board within 120 days after written notice is
16 officially received by the claimant that the department has
17 failed to dispose of the petition within the six-month period.

18 (c) Contents of petition for redetermination.--A petition
19 for redetermination filed shall state the reasons upon which the
20 claimant relies or shall incorporate by reference the petition
21 for redetermination in which such reasons were stated. The
22 petition shall be supported by affidavit that the facts set
23 forth therein are correct and true.

24 (d) Time period for decision.--The board shall act in
25 disposition of petitions filed with it within six months after
26 they have been received, and, in the event of failure of the
27 board to dispose of any petition within six months, the action
28 taken by the department upon the petition for redetermination
29 shall be deemed sustained.

30 (e) Relief authorized by board.--The board may sustain the
31 action taken by the department on the petition for
32 redetermination or it may take such other action as it shall
33 deem necessary and consistent with provisions of this chapter.

34 (f) Form of notice.--Notice of the action of the board shall
35 be given by mail to the department and to the claimant.

36 Section 1413. Appeal.

37 A claimant aggrieved by a decision of the board may appeal
38 from the decision of the board in the manner provided by law for
39 appeals from decisions of the board in tax cases.

40 CHAPTER 15

41 MISCELLANEOUS PROVISIONS

42 Section 1501. Transitional provision.

43 (a) Sales and use tax.--Notwithstanding the repeal specified
44 under section 1505(b)(6), the department shall have the
45 authority to enforce the collection of taxes imposed for
46 transactions that occur prior to the effective date of this
47 section under former Article II of the Tax Reform Code of 1971.
48 The taxes collected on or after January 1, 2016, regardless of
49 the transaction date, shall be deposited as provided in section
50 782.

51 (b) Other taxes.--Notwithstanding the repeal specified under

1 section 1505(b)(2), a governing body shall have the authority to
2 enforce, after the effective date of the repeal, the collection
3 of taxes levied and assessed under the former provision prior to
4 the effective date of section 1505(b)(2).

5 Section 1502. Regulations.

6 The department shall have jurisdiction over and shall
7 promulgate regulations as necessary for the proper
8 administration of this act.

9 Section 1503. Construction.

10 Any and all references in any other act to Article II or any
11 provision in Article II of the Tax Reform Code of 1971 shall be
12 deemed a reference to Chapter 7 of this act or the corresponding
13 provisions in Chapter 7 of this act.

14 Section 1504. Severability.

15 The provisions of this act are severable as follows:

16 (1) If any provision of this act is held invalid, the
17 invalidity shall not affect other provisions or applications
18 of this act which can be given effect without the invalid
19 provision or application.

20 (2) Under no circumstances shall the invalidity of any
21 provision or application of this act affect the validity of
22 any provision in this act that abolishes the power of the
23 governing body and any school district and city of the first
24 class or any other political subdivision to levy, assess or
25 collect a tax on any interest in real property for school
26 purposes.

27 Section 1505. Repeals.

28 (a) Intent.--The General Assembly declares that the repeals
29 under subsection (b) are necessary to effectuate this act.

30 (b) Provisions.--The following acts and parts of acts are
31 repealed to the extent specified:

32 (1) Section 631 of the act of March 10, 1949 (P.L.30,
33 No.14), known as the Public School Code of 1949, is repealed.

34 (2) Any provision of the Public School Code of 1949 and
35 of any other law relating to the authority of any school
36 district to levy, assess and collect any tax on real property
37 and the power of any city of the first class to levy, assess
38 and collect any tax real property for school purposes is
39 repealed upon the expiration of the respective schedule
40 prescribed in sections 1101 and 1102.

41 (3) Any provision of the act of the Public School Code
42 of 1949 and any other law relating to debt is repealed to the
43 extent that it is inconsistent with this act.

44 (4) Any provision of the Public School Code of 1949 and
45 any home rule charter adopted pursuant thereto is repealed
46 insofar as it is inconsistent with this act.

47 (5) Any provision of the act of August 9, 1963 (P.L.643,
48 No.341), known as the First Class City Public Education Home
49 Rule Act, and any home rule school district charter adopted
50 pursuant thereto is repealed insofar as it is inconsistent
51 with this act.

1 (6) Article II of the act of March 4, 1971 (P.L.6,
2 No.2), known as the Tax Reform Code of 1971, is repealed.
3 (7) Subchapters C and D of Chapter 3 and Chapter 13 of
4 the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1),
5 known as the Taxpayer Relief Act, are repealed.

6 (8) All acts and parts of acts that are inconsistent
7 with this act are repealed to the extent of such
8 inconsistency.

9 Section 1506. Applicability.

10 Chapter 7 and section 1505(b)(6) shall apply January 1, 2016.

11 Section 1507. Effective date.

12 This act shall take effect as follows:

13 (1) Chapters 3 and 4 and section 1505(b)(2) shall take
14 effect June 30, 2016.

15 (2) The remainder of this act shall take effect
16 immediately.