

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1064 Session of
1985

INTRODUCED BY DORR, TRELLO, HALUSKA, REBER, E. Z. TAYLOR,
SIRIANNI, BOOK, J. L. WRIGHT, JOHNSON, FOX, GEIST, POTT,
DISTLER, McVERRY, PHILLIPS, TELEK, PERZEL, NOYE, HERMAN,
MERRY, SEMMEL AND MICOZZIE, APRIL 29, 1985

REFERRED TO COMMITTEE ON FINANCE, APRIL 29, 1985

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," adding a definition of "charitable organization."

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Section 201 of the act of March 4, 1971 (P.L.6,
14 No.2), known as the Tax Reform Code of 1971, is amended by
15 adding a definition to read:

16 Section 201. Definitions.--The following words, terms and
17 phrases when used in this Article II shall have the meaning
18 ascribed to them in this section, except where the context
19 clearly indicates a different meaning:

20 * * *

21 (u) "Charitable organization." A group or body of persons

1 which is created and which exists for the purpose of performing
2 a humane service; promoting the good and welfare of the aged,
3 poor, infirm or distressed; combating juvenile delinquency;
4 advancing the spiritual, mental, social and physical improvement
5 of young men and women; teaching high school students the
6 principles of the American free enterprise system; or any
7 organization the purpose of which is the promotion of the
8 appreciation of and education in American history and good
9 citizenship. A group or body of persons shall not be considered
10 a charitable organization if the persons entitled to benefit
11 from services performed by such organization must be chosen from
12 a class of persons insubstantial and predetermined in number, if
13 the funds or such organization are derived from sources other
14 than public or private contributions and if the organization is
15 operated with pecuniary benefit to any officer, member or
16 shareholder, except as reasonable compensation for actual
17 services rendered to the organization or except as the receipt
18 of inconsequential pecuniary benefit may be incidental to a
19 course of instruction on the principles of the American free
20 enterprise system.

21 Section 2. This act shall take effect in 60 days.