

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 710

Session of  
1987

INTRODUCED BY HUTCHINSON, MARCH 9, 1987

REFERRED TO COMMITTEE ON FINANCE, MARCH 9, 1987

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," deleting references to insurance in the  
11 definition of "purchase price."

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

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

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

21 \* \* \*

22 (g) "Purchase price."

1       \* \* \*

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

23       \* \* \*

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