

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1571 Session of
1989

INTRODUCED BY DOMBROWSKI, MAY 30, 1989

REFERRED TO COMMITTEE ON FINANCE, MAY 30, 1989

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," further imposing a tax and providing for its
11 distribution and application.

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

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

17 Section 202.1. Imposition of Additional Sales and Use Tax.--

18 (a) There is hereby imposed upon each separate sale at retail
19 of tangible personal property or services, as defined in section
20 201 of this article, a tax of one per cent on the purchase
21 price, which tax shall be collected by the vendor from the
22 purchaser.

1 (b) There is hereby imposed upon the use of tangible
2 personal property purchased at retail and on those services
3 described herein purchased at retail, a tax of one per cent,
4 which tax shall be paid to the Commonwealth by the person who
5 makes such use as herein provided, except that such tax shall
6 not be paid to the Commonwealth by such person where he has paid
7 the tax imposed by subsection (a) of this section or has paid
8 the tax imposed by this subsection to the vendor with respect to
9 such use.

10 (c) Except as otherwise provided, the provisions of Article
11 II of this act shall apply to the taxes imposed by subsections
12 (a) and (b) of this section insofar as they are applicable and
13 not in conflict. The taxes imposed in this section shall
14 effectively require that there is a tax on the sales and use of
15 tangible personal property of one per cent, which is in addition
16 to the taxes imposed in section 202 of this article.

17 (d) The department shall make rules and regulations to
18 compute the amount of tax imposed by this section.

19 (e) The proceeds from the additional one per cent tax
20 imposed by this section shall be distributed in the following
21 manner:

22 (1) Each county and municipality shall receive an amount
23 equal to the amount received from the 1986 Federal Revenue
24 Sharing Funds.

25 (2) The balance of the tax funds available shall be divided
26 equally between municipalities and school districts.

27 (3) The tax funds available to municipalities in clause (2)
28 of this subsection shall be divided on a per capita basis.

29 (4) The tax funds available to school districts in this
30 section shall be distributed by using the Equalized Subsidy for

1 Basic Education formula.

2 (5) Any tax funds received by a municipality or school
3 district under clause (2) of this subsection shall be subject to
4 the following:

5 (i) each dollar received by the municipality or school
6 district shall lower its local taxes eighty cents (80¢); and

7 (ii) the school districts affected by clause (2) shall apply
8 the amount in subclause (i) to the property taxes.

9 Section 2. This act shall take effect immediately.