

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 866 Session of
2001

INTRODUCED BY GODSHALL, SAYLOR, BIRMELIN, KENNEY, MARSICO,
HALUSKA, ROBINSON, LEDERER, LEH, WILT, ZIMMERMAN, BELFANTI,
BLAUM, CREIGHTON, DALEY, GEIST, HORSEY, HUTCHINSON, LAUGHLIN,
MARKOSEK, STABACK, ZUG AND MAJOR, MARCH 8, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 8, 2001

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),
2 entitled "An act empowering cities of the second class,
3 cities of the second class A, cities of the third class,
4 boroughs, towns, townships of the first class, townships of
5 the second class, school districts of the second class,
6 school districts of the third class and school districts of
7 the fourth class including independent school districts, to
8 levy, assess, collect or to provide for the levying,
9 assessment and collection of certain taxes subject to maximum
10 limitations for general revenue purposes; authorizing the
11 establishment of bureaus and the appointment and compensation
12 of officers, agencies and employes to assess and collect such
13 taxes; providing for joint collection of certain taxes,
14 prescribing certain definitions and other provisions for
15 taxes levied and assessed upon earned income, providing for
16 annual audits and for collection of delinquent taxes, and
17 permitting and requiring penalties to be imposed and
18 enforced, including penalties for disclosure of confidential
19 information, providing an appeal from the ordinance or
20 resolution levying such taxes to the court of quarter
21 sessions and to the Supreme Court and Superior Court,"
22 further providing for limitations on rates of specific taxes;
23 and providing for special limitation on rates of taxes for
24 certain amusements.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. Section 8 introductory paragraph, (6), (9), (10)
28 and (11) of the act of December 31, 1965 (P.L.1257, No.511),

1 known as The Local Tax Enabling Act, amended or added October
2 11, 1984 (P.L.885, No.172) and July 9, 1987 (P.L.203, No.30),
3 are amended and the section is amended by adding a clause to
4 read:

5 Section 8. Limitations on Rates of Specific Taxes.--No taxes
6 levied under the provisions of this act or 53 Pa.C.S. § 8402(c)
7 (relating to scope and limitations) shall be levied by any
8 political subdivision on the following subjects exceeding the
9 rates specified in this section:

10 * * *

11 (6) On admissions to places of amusement, athletic events
12 and the like, and on motion picture theatres in cities of the
13 second class, ten percent in cities of the second class and in
14 all other political subdivisions the rates specified in section
15 8.1.

16 * * *

17 (9) On admissions to ski facilities, ten percent in cities
18 of the second class and in all other political subdivisions the
19 rates specified in section 8.1. The tax base upon which the tax
20 shall be levied shall not exceed forty percent of the cost of
21 the lift ticket. The lift ticket shall include all costs of
22 admissions to the ski facility.

23 (10) On admissions to golf courses, ten percent in cities of
24 the second class and in all other political subdivisions the
25 rates specified in section 8.1. The tax base upon which the tax
26 shall be levied shall not exceed forty percent of the greens
27 fee. The greens fee shall include all costs of admissions to the
28 golf course.

29 (11) On admissions to bowling alleys or bowling lanes, ten
30 percent in cities of the second class and in all other political

1 subdivisions the rates specified in section 8.1. The tax base
2 upon which the tax shall be levied shall not exceed forty
3 percent of the charge imposed upon a patron for the sale of
4 admission to or the privilege of admission to a bowling alley or
5 bowling lane to engage in one or more games of bowling.

6 (12) On admissions to automobile racing facilities, ten
7 percent in cities of the second class and in all other political
8 subdivisions the rates specified in section 8.1. The tax base
9 upon which the tax shall be levied shall not exceed forty
10 percent of the cost of admission to an automobile racing
11 facility.

12 * * *

13 Section 2. The act is amended by adding sections to read:

14 Section 8.1. Special Limitations on Rates of Taxes for
15 Certain Amusements.--(a) (1) A municipality that levies,
16 assesses and collects an amusement or admissions tax under this
17 act and in conformity with 53 Pa.C.S. § 8402(c) (relating to
18 scope and limitations) for the activities set forth in section
19 8(6), (9), (10), (11) and (12) on or before the effective date
20 of this section may levy, assess and collect that tax at a rate
21 not to exceed four percent subject to the reduction period
22 provided for in clause (2).

23 (2) A municipality that is subject to clause (1) and that
24 collects a rate of tax in excess of the amount provided for in
25 clause (1) on the effective date of this section shall reduce
26 that rate to the rate provided for in clause (1) over a period
27 of four years beginning January 1, 2002, in equal annual
28 increments.

29 (b) A municipality that:

30 (1) does not levy, assess and collect an amusement or

admissions tax under this act and in conformity with 53 Pa.C.S.
§ 8402(c) for the activities set forth in section 8(6), (9),
(10), (11) and (12) on or before the effective date of this
section; and

(2) enacts an ordinance to levy, assess and collect such tax
after the effective date of this section in accordance with law;
may levy, assess and collect that tax at a rate not to exceed
four percent.

(c) (1) Subject to the provisions of clauses (2) and (3), a
school district shall have no authority to levy an amusement or
admissions tax after June 30, 1997.

(2) A school district that levies, assesses and collects an
amusement or admissions tax under this act in conformity with 53
Pa.C.S. § 8402(c), on or before June 30, 1997, may levy, assess
and collect that tax for a period of four years from July 1,
2002, subject to the reductions under clause (3) of this
subsection.

(3) Any school district which levies, assesses and collects
an amusement or admissions tax under clause (2) shall phase out
that tax over a four-year period beginning July 1, 2002, by
reducing the rate of tax in equal installments.

(4) Nothing in this section shall be construed to authorize
a school district to collect an aggregate sum of amusement or
admissions taxes in excess of the amount collected by the school
district for the fiscal year ending in 1997.

(d) This section shall not apply to a city of the second
class.

Section 8.2. Reimbursement For Customary and Ordinary
Expenses.--(a) A municipality that levies an amusement or
admissions tax pursuant to this act may request and collect

reimbursement from the owner or operator of a facility under a duty to collect or remit an amusement or admissions tax if the cost of the customary and ordinary services that are provided by the municipality and that are directly associated with the operation of that facility are not offset by the amount of all local taxes collected with respect to the ownership and operation of that facility.

(b) The amount of reimbursement collected by the municipality shall not exceed the cost of the customary and ordinary services provided by the municipality, reduced by the amount of all local taxes collected from the owner or operator of the facility. The services for which the municipality may collect reimbursement shall be limited to the customary and ordinary services that are directly resulting from the operation of that facility within the fiscal year. The local taxes collected from the owner or operator of the facility shall be the taxes collected within the fiscal year by or on behalf of the municipality from the owner or operator of that facility with respect to the ownership and operation of that facility. Prior to collecting any reimbursement, the municipality shall provide to the owner or operator of the facility a list of the customary and ordinary services for which reimbursement is claimed, an estimate of the cost of those services and a listing by type of the amount of local taxes collected with respect to the ownership and operation of that facility.

(c) Any dispute regarding the amount of reimbursement to be collected under this section shall be resolved by filing a petition for adjudication in the court of common pleas in the judicial district in which the facility is located.

Section 3. This act shall apply as follows:

1 (1) The addition of section 8(12) of the act shall apply
2 to the tax years beginning on or after January 1, 2002.

3 (2) The amendment or addition of sections 8(6), (9),
4 (10) and (11) and 8.1 and 8.2 of the act shall apply to the
5 tax years beginning on or after January 1, 2002.

6 Section 4. This act shall take effect immediately.