

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 251 Session of 2009

INTRODUCED BY PICKETT, TURZAI, BAKER, BEAR, BELFANTI, BEYER, BOYD, BRENNAN, CALTAGIRONE, CARROLL, CLYMER, CREIGHTON, DeWEESE, ELLIS, EVERETT, FABRIZIO, FAIRCHILD, FLECK, GEIST, GEORGE, GIBBONS, GINGRICH, GOODMAN, GRELL, GROVE, HARRIS, HENNESSEY, HESS, HICKERNELL, HORNAMAN, HUTCHINSON, KAUFFMAN, M. KELLER, KORTZ, LONGIETTI, MAJOR, MANN, MARSICO, MELIO, MILLARD, MILLER, MILNE, MUSTIO, O'NEILL, PALLONE, PAYNE, PEIFER, PERRY, PETRI, PHILLIPS, PYLE, RAPP, READSHAW, REICHLEY, ROAE, ROHRER, SAYLOR, SCAVELLO, SIPTROTH, S. H. SMITH, SOLOBAY, STABACK, STERN, STEVENSON, SWANGER, TRUE, VULAKOVICH, WALKO, WANSACZ, WHITE AND YOUNGBLOOD, FEBRUARY 4, 2009

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 4, 2009

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," in sales and use tax, further providing for
11 exemption certificates.

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

14 Section 1. Section 237(c) of the act of March 4, 1971 (P.L.
15 6, No.2), known as the Tax Reform Code of 1971, amended July 1,
16 1985 (P.L.78, No.29), is amended to read:

17 Section 237. Collection of Tax.--* * *

1 (c) Exemption Certificates. If the tax does not apply to the
2 sale or lease of tangible personal property or services, the
3 purchaser or lessee shall furnish to the vendor a certificate
4 indicating that the sale is not legally subject to the tax. The
5 certificate shall be in substantially such form as the
6 department may, by regulation, prescribe. Where the tangible
7 personal property or service is of a type which is never subject
8 to the tax imposed or where the sale or lease is in interstate
9 commerce, such certificate need not be furnished. Where a series
10 of transactions are not subject to tax, a purchaser or user may
11 furnish the vendor with a single exemption certificate in
12 substantially such form and valid for such period of time as the
13 department may, by regulation, prescribe[.], provided that an
14 exemption certificate furnished to a volunteer firemen's
15 organization shall be considered permanent. The department shall
16 provide all school districts and intermediate units with a
17 permanent tax exemption number. An exemption certificate, which
18 is complete and regular and on its face discloses a valid basis
19 of exemption if taken in good faith, shall relieve the vendor
20 from the liability imposed by this section. An exemption
21 certificate accepted by a vendor from a natural person domiciled
22 within this Commonwealth or any association, fiduciary,
23 partnership, corporation or other entity, either authorized to
24 do business within this Commonwealth or having an established
25 place of business within this Commonwealth, in the ordinary
26 course of the vendor's business, which on its face discloses a
27 valid basis of exemption consistent with the activity of the
28 purchaser and character of the property or service being
29 purchased or which is provided to the vendor by a charitable,
30 religious, educational, volunteer firefighters' relief

1 association or volunteer firemen's organization and contains the
2 organization's charitable exemption number and which, in the
3 case of any purchase costing two hundred dollars (\$200) or more,
4 is accompanied by a sworn declaration on a form to be provided
5 by the department of an intended usage of the property or
6 service which would render it nontaxable, shall be presumed to
7 be taken in good faith and the burden of proving otherwise shall
8 be on the Department of Revenue.

9 * * *

10 Section 2. This act shall take effect immediately.