

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 564 Session of 2011

INTRODUCED BY DINNIMAN, BAKER, ALLOWAY, BOSCOLA, BROWNE,  
BRUBAKER, COSTA, ERICKSON, FERLO, FONTANA, HUGHES, KASUNIC,  
LEACH, YUDICHAK, ORIE, RAFFERTY, SOLOBAY, WAUGH AND D. WHITE,  
FEBRUARY 17, 2011

REFERRED TO FINANCE, FEBRUARY 17, 2011

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 exclusions from tax and for collection of tax.

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

14 Section 1. Section 204(10) of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended  
16 April 23, 1998 (P.L.239, No.45), is amended to read:

17 Section 204. Exclusions from Tax.--The tax imposed by  
18 section 202 shall not be imposed upon any of the following:

19 \* \* \*

20 (10) The sale at retail to or use by (i) any charitable  
21 organization, volunteer firemen's organization, volunteer

1 firefighters' relief association as defined in section 2 of the  
2 act of June 11, 1968 (P.L.149, No.84), known as the "Volunteer  
3 Firefighters' Relief Association Act," or nonprofit educational  
4 institution, or (ii) a religious organization for religious  
5 purposes of tangible personal property or services other than  
6 pursuant to a construction contract: Provided, however, That the  
7 exclusion of this clause shall not apply with respect to any  
8 tangible personal property or services used in any unrelated  
9 trade or business carried on by such organization or institution  
10 or with respect to any materials, supplies and equipment used  
11 and transferred to such organization or institution in the  
12 construction, reconstruction, remodeling, renovation, repairs  
13 and maintenance of any real estate structure, other than  
14 building machinery and equipment, except materials and supplies  
15 when purchased by such organizations or institutions for routine  
16 maintenance and repairs.

17 \* \* \*

18 Section 2. Section 237(c) of the act, amended July 1, 1985  
19 (P.L.78, No.29), is amended to read:

20 Section 237. Collection of Tax.--\* \* \*

21 (c) Exemption Certificates. If the tax does not apply to the  
22 sale or lease of tangible personal property or services, the  
23 purchaser or lessee shall furnish to the vendor a certificate  
24 indicating that the sale is not legally subject to the tax. The  
25 certificate shall be in substantially such form as the  
26 department may, by regulation, prescribe. Where the tangible  
27 personal property or service is of a type which is never subject  
28 to the tax imposed or where the sale or lease is in interstate  
29 commerce, such certificate need not be furnished. Where a series  
30 of transactions are not subject to tax, a purchaser or user may

furnish the vendor with a single exemption certificate in substantially such form and valid for such period of time as the department may, by regulation, prescribe[.], provided that an exemption certificate furnished to a volunteer firefighters' relief association or volunteer firemen's organization shall be considered permanent. The department shall provide all school districts and intermediate units with a permanent tax exemption number. An exemption certificate, which is complete and regular and on its face discloses a valid basis of exemption if taken in good faith, shall relieve the vendor from the liability imposed by this section. An exemption certificate accepted by a vendor from a natural person domiciled within this Commonwealth or any association, fiduciary, partnership, corporation or other entity, either authorized to do business within this Commonwealth or having an established place of business within this Commonwealth, in the ordinary course of the vendor's business, which on its face discloses a valid basis of exemption consistent with the activity of the purchaser and character of the property or service being purchased or which is provided to the vendor by a charitable, religious, educational, volunteer firefighters' relief association or volunteer firemen's organization and contains the organization's charitable exemption number and which, in the case of any purchase costing two hundred dollars (\$200) or more, is accompanied by a sworn declaration on a form to be provided by the department of an intended usage of the property or service which would render it nontaxable, shall be presumed to be taken in good faith and the burden of proving otherwise shall be on the Department of Revenue.

\* \* \*

1       Section 3.   This act shall take effect in 60 days.