

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 931 Session of  
2001

INTRODUCED BY GREENLEAF, CORMAN, LEMMOND, BOSCOLA, COSTA,  
ERICKSON, THOMPSON, WAUGH AND M. WHITE, JUNE 7, 2001

REFERRED TO FINANCE, JUNE 7, 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 exclusions from gross receipts tax.

23 The General Assembly of the Commonwealth of Pennsylvania  
24 hereby enacts as follows:

25 Section 1. Section 2(12) of the act of December 31, 1965  
26 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended  
27 October 11, 1984 (P.L.885, No.172), is amended to read:

1       Section 2.   Delegation of Taxing Powers and Restrictions

2   Thereon.--The duly constituted authorities of the following  
3   political subdivisions, cities of the second class, cities of  
4   the second class A, cities of the third class, boroughs, towns,  
5   townships of the first class, townships of the second class,  
6   school districts of the second class, school districts of the  
7   third class, and school districts of the fourth class, in all  
8   cases including independent school districts, may, in their  
9   discretion, by ordinance or resolution, for general revenue  
10   purposes, levy, assess and collect or provide for the levying,  
11   assessment and collection of such taxes as they shall determine  
12   on persons, transactions, occupations, privileges, subjects and  
13   personal property within the limits of such political  
14   subdivisions, and upon the transfer of real property, or of any  
15   interest in real property, situate within the political  
16   subdivision levying and assessing the tax, regardless of where  
17   the instruments making the transfers are made, executed or  
18   delivered or where the actual settlements on such transfer take  
19   place. The taxing authority may provide that the transferee  
20   shall remain liable for any unpaid realty transfer taxes imposed  
21   by virtue of this act. Each local taxing authority may, by  
22   ordinance or resolution, exempt any person whose total income  
23   from all sources is less than five thousand dollars (\$5,000) per  
24   annum from the per capita or similar head tax, occupation tax  
25   and occupational privilege tax, or earned income tax, or any  
26   portion thereof, and may adopt regulations for the processing of  
27   claims for exemptions. Such local authorities shall not have  
28   authority by virtue of this act:

29       \* \* \*

30       (12)   To levy, assess and collect a mercantile or business

1 privilege tax on gross receipts or part thereof which are: (i)  
2 discounts allowed to purchasers as cash discounts for prompt  
3 payment of their bills; (ii) charges advanced by a seller for  
4 freight, delivery or other transportation for the purchaser in  
5 accordance with the terms of a contract of sale; (iii) received  
6 upon the sale of an article of personal property which was  
7 acquired by the seller as a trade-in to the extent that the  
8 gross receipts in the sale of the article taken in trade does  
9 not exceed the amount of trade-in allowance made in acquiring  
10 such article; (iv) refunds, credits or allowances given to a  
11 purchaser on account of defects in goods sold or merchandise  
12 returned; (v) Pennsylvania sales tax; (vi) based on the value of  
13 exchanges or transfers between one seller and another seller who  
14 transfers property with the understanding that property of an  
15 identical description will be returned at a subsequent date;  
16 however, when sellers engaged in similar lines of business  
17 exchange property and one of them makes payment to the other in  
18 addition to the property exchanged, the additional payment  
19 received may be included in the gross receipts of the seller  
20 receiving such additional cash payments; (vii) of sellers from  
21 sales to other sellers in the same line where the seller  
22 transfers the title or possession at the same price for which  
23 the seller acquired the merchandise; [or] (viii) transfers  
24 between one department, branch or division of a corporation or  
25 other business entity of goods, wares and merchandise to another  
26 department, branch or division of the same corporation or  
27 business entity and which are recorded on the books to reflect  
28 such interdepartmental transactions[.]; or (ix) Federal or  
29 State liquid fuel or fuel use tax.

30 \* \* \*

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