

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2177 Session of
2005

INTRODUCED BY BEBKO-JONES, CALTAGIRONE, DeLUCA, FABRIZIO,
GEORGE, GOOD, HARRIS, HENNESSEY, HERMAN, HERSHEY, JAMES,
MARKOSEK, McILHATTAN, MUNDY, PISTELLA, READSHAW, ROBERTS,
ROONEY, SONNEY, SURRA, TANGRETTI, THOMAS, WALKO AND
YOUNGBLOOD, NOVEMBER 1, 2005

REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 1, 2005

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 providing, in sales and use tax, for
11 exclusions from the tax.

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

14 Section 1. Section 204 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended by
16 adding a clause 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 (65) The sale at retail or use of machinery and equipment
21 designed to generate electricity or heating power for

residential property, using fuel cells, wind or sun as the principal source of power. For purposes of this clause, "fuel cell" means an electrochemical reaction that generates electricity by combining atoms of hydrogen and oxygen in the presence of a catalyst; "machinery and equipment" means industrial fixtures, devices and support facilities that are integral and necessary to the generation of electricity using wind, sun or fuel cells as the principal source of power for residential property for residential property that may be used to convert this energy to electricity, and store, transform, or transmit the electricity for entry into or operation in parallel with electric transmission and distribution systems; "machinery and equipment" does not include:

- (i) hand-powered tools;
- (ii) property with a useful life of less than one year;
- (iii) repair parts required to restore machinery and equipment to normal working order;
- (iv) replacement parts that do not increase productivity, improve efficiency, or extend the useful life of machinery and equipment; or
- (v) buildings.

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