

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 524 Session of  
2007

INTRODUCED BY HICKERNELL, BAKER, BOYD, CALTAGIRONE, COHEN,  
CUTLER, DeWEESE, FABRIZIO, FLECK, FREEMAN, GEIST, GRUCELA,  
HARHAI, HENNESSEY, HUTCHINSON, JAMES, KAUFFMAN, M. KELLER,  
KILLION, KORTZ, MACKERETH, MANN, MARSHALL, METCALFE,  
M. O'BRIEN, PETRARCA, PHILLIPS, PYLE, REICHLEY, SAINATO,  
SAYLOR, STABACK, STURLA, TRUE, VULAKOVICH, WALKO, WHEATLEY,  
YOUNGBLOOD, TURZAI AND SIPTROTH, MARCH 6, 2007

REFERRED TO COMMITTEE ON FINANCE, MARCH 6, 2007

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.

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

14 Section 1. Section 204(49) 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 (49) The sale at retail or use of food and beverages by

1 nonprofit associations which support sports programs or youth  
2 centers. For purposes of this clause, the phrases:

3 (i) "nonprofit association" means an entity which is  
4 organized as a nonprofit corporation or nonprofit unincorporated  
5 association under the laws of this Commonwealth or the United  
6 States or any entity which is authorized to do business in this  
7 Commonwealth as a nonprofit corporation or unincorporated  
8 association under the laws of this Commonwealth, including, but  
9 not limited to, youth or athletic associations, volunteer fire,  
10 ambulance, religious, charitable, fraternal, veterans, civic, or  
11 any separately chartered auxiliary of the foregoing, if  
12 organized and operated on a nonprofit basis;

13 (iv) "sports program" means baseball (including softball),  
14 football, basketball, soccer and any other competitive sport  
15 formally recognized as a sport by the United States Olympic  
16 Committee as specified by and under the jurisdiction of the  
17 Amateur Sports Act of 1978 (Public Law 95-606, 36 U.S.C. § 371  
18 et seq.), the Amateur Athletic Union or the National Collegiate  
19 Athletic Association. The term shall be limited to a program or  
20 that portion of a program that is organized for recreational  
21 purposes and whose activities are substantially for such  
22 purposes and which is primarily for participants who are 18  
23 years of age or younger or whose 19th birthday occurs during the  
24 year of participation or the competitive season, whichever is  
25 longer. There shall, however, be no age limitation for programs  
26 operated for persons with physical handicaps or persons with  
27 mental retardation;

28 (v) "support" means:

29 (A) the funds raised from sales are used to pay the expenses  
30 of a sports program or a youth center; or

1     (B) the nonprofit association sells the food and beverages  
2     at a youth center or a location where a sports program is being  
3     conducted under this act[.];

4     (vi) "youth center" means a fixed location used primarily  
5     for programs for individuals under the age of 19 as long as the  
6     programs are:

7         (A) conducted primarily by volunteers;

8         (B) designed to advance recreational, civic or moral  
9         objectives; and

10        (C) conducted by an organization that is qualified under  
11        section 501(c)(3) of the Internal Revenue Code of 1986 (Public  
12        Law 99-514, 26 U.S.C. § 501(c)(3)) and that has obtained an  
13        exemption number from the department as a charitable  
14        organization under clause (10).

15        \* \* \*

16        Section 2. The amendment of section 204(49) of the act shall  
17        apply to sales at retail or uses after December 31, 2007.

18        Section 3. This act shall take effect immediately.