

AMENDMENTS TO SENATE BILL NO. 1412

Sponsor: SENATOR PIPPY

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1 Amend Title, page 1, line 19, by inserting after "TAXES"

2 where it appears the first time

3 , local sales and use tax

4 Amend Sec. 1 (Sec. 103), page 2, line 10, by striking out

5 "ZONE" and inserting

6 parcel

7 Amend Sec. 2 (Sec. 301.3), page 2, line 23, by striking out

8 "FOR EXTENSION OF" and inserting

9 to extend

10 Amend Sec. 2 (Sec. 301.3), page 2, line 24, by striking out

11 "SECTION" and inserting

12 act

13 Amend Sec. 2 (Sec. 301.3), page 2, line 30; page 3, lines 1

14 and 2, by striking out "THE" where it appears third time in line

15 30, page 2, and all of lines 1 and 2, page 3

1 Amend Sec. 2 (Sec. 301.3), page 3, lines 8 and 9, by striking

2 out "THE EXTENSION MAY NOT BE APPROVED FOR A PARCEL THAT" in

3 line 8 and all of line 9

4 Amend Sec. 2 (Sec. 301.3), page 3, line 11, by inserting

5 after "SECTION"

6 , except exemptions for sales and use tax under
7 section 511(a) or 705(a),

8 Amend Sec. 2 (Sec. 301.3), page 3, line 22, by striking out

1 "In" and inserting

2 Except as provided in subsection (d), in

3 Amend Sec. 2 (Sec. 301.3), page 3, line 25, by striking out

4 "July 31," and inserting

5 June 30,

6 Amend Sec. 2 (Sec. 301.3), page 5, line 5, by inserting after

7 "zone."

8 The department shall certify the delay in the

9 expiration by December 31, 2008.

10 Amend Sec. 2 (Sec. 301.3), page 5, lines 7 and 8, by striking

11 out "under subsection (a)" and inserting

12 pursuant to subsection (c), provided that the application shall

13 be submitted by May 1, 2009, and approved by the department no

14 later than June 30, 2009

15 Amend Sec. 2 (Sec. 301.3), page 5, line 8, by striking out

16 "(a)" and inserting

17 (c)

18 Amend Sec. 2 (Sec. 301.3), page 5, line 24, by striking out

19 "UNDER SUBSECTION (C)"

20 Amend Sec. 2 (Sec. 301.4), page 5, line 28, by striking out

21 ", by December 31, 2009,"

22 Amend Sec. 2 (Sec. 301.4), page 6, line 25, by striking out

23 "part" and inserting

24 act, except exemptions for sales and use tax under

25 section 511(a) or 705(a),

26 Amend Sec. 2 (Sec. 301.4), page 6, line 27, by inserting

27 after "2020."

28 Exemptions for sales and use taxes under sections 511

29 and 705 shall commence upon designation of the zone

30 by the department.

31 Amend Sec. 2 (Sec. 301.4), page 7, line 2, by striking out

32 "(2), (3), (5)" and inserting

1 (2)(i) and (ix)

2 Amend Sec. 2 (Sec. 301.4), page 7, lines 5 and 6, by striking
3 out "adopting the extension of all" and inserting

4 providing the

5 Amend Sec. 2, page 7, by inserting between lines 19 and 20

6 Section 301.5. Expansion for new parcels.

7 (a) Expansion.--A political subdivision or its designee may
8 apply for an expansion to add up to 15 acres of deteriorated
9 property to an existing keystone opportunity expansion zone,
10 keystone opportunity improvement zone or a subzone of a keystone
11 opportunity zone for parcels that are contiguous to the existing
12 zone or subzone.

13 (b) Application.--In order to receive a designation under
14 this section, the department must receive an application from a
15 political subdivision or its designee no later than December 31,
16 2008. The application must contain the information required
17 under section 302(a)(1), (2)(i) and (ix), (5) and (6). The
18 application must include all ordinances, resolutions or other
19 required action adopted by all political subdivisions in which
20 the keystone opportunity expansion zone, keystone opportunity
21 improvement zone or a subzone of a keystone opportunity zone is
22 located adopting all tax exemptions, deductions, abatements and
23 credits authorized under Chapter 7 to the expanded area. The
24 department, in consultation with the Department of Revenue,
25 shall review the application and, if approved, issue a
26 certification of all tax exemptions, deductions, abatements or
27 credits under this act for the expansion authorized under
28 subsection (a) within two months of the receipt of the
29 application.

30 (c) Applications for certain zones.--For a keystone
31 opportunity zone that expires December 31, 2008, but is seeking
32 an extension under section 301.3, the application shall include
33 the request for an expansion under subsection (a). The
34 application must be submitted by December 31, 2008, and include
35 all ordinances, resolutions or other required action from all
36 affected political subdivisions approving the addition of the
37 acreage. If the expiration of a keystone opportunity zone is
38 delayed under this subsection, a political subdivision or its
39 designee may apply for an extension under 301.3 and an expansion
40 under this section. If an extension is granted under section
41 301.3, the extension and the expansion shall be deemed to be
42 effective January 1, 2009.

43 (d) Authorization.--Persons or businesses within the
44 expanded area shall be entitled to all tax exemptions,
45 deductions, abatements or credits set forth under this part,
46 except for sales and use taxes under section 511(a) or 705(a),
47 for the period set forth in subsection (e). Exemptions for sales
48 and use taxes under sections 511 and 705 shall commence upon
49 approval of the expansion by the department.

50 (e) Expiration.--All expansions under this section shall
51 expire on the same date as the keystone opportunity expansion
52 zone, keystone opportunity improvement zone or subzone of a
53 keystone opportunity zone.

54 Amend Sec. 2 (Sec. 301.5), page 7, line 20, by striking out

1 "301.5" and inserting

2 301.6

3 Amend Sec. 3 (Sec. 511), page 11, lines 18 and 19, by
4 striking out ", LANDOWNER OR LESSEE or the construction
5 contractor

6 Amend Bill, page 14, line 1, by striking out all of said line
7 and inserting

8 Section 6. Section 705 of the act, amended December 9, 2002
9 (P.L.1727, No.217), is amended to read:
10 Section 705. Local sales and use tax.

11 (a) General rule.--The political subdivision shall exempt
12 sales at retail of services or tangible personal property,
13 except motor vehicles, to a qualified business or a construction
14 contractor pursuant to a construction contract with a qualified
15 business, landowner or lessee for the exclusive use, consumption
16 and utilization of the tangible personal property or service by
17 the qualified business at [its] the qualified business's,
18 landowner's or lessee's facility located within a subzone,
19 improvement subzone or expansion subzone from a city or county
20 tax on purchase price authorized under Article XXXI-B of the act
21 of July 28, 1953 (P.L.723, No.230), known as the Second Class
22 County Code, as amended, and the act of June 5, 1991 (P.L.9,
23 No.6), known as the Pennsylvania Intergovernmental Cooperation
24 Authority Act for Cities of the First Class, as amended. No
25 exemption may be granted for sales occurring prior to
26 designation of the real property as part of a subzone or
27 expansion subzone.

28 (b) [Construction contracts.--For any construction contract
29 performed in a subzone, improvement subzone or expansion
30 subzone, the exemption provided in subsection (a) shall only
31 apply to the sale at retail or use of building machinery and
32 equipment to a qualified business, or to a construction
33 contractor pursuant to a construction contract with a qualified
34 business, for the exclusive use, consumption and utilization by
35 the qualified business at its facility in a subzone, improvement
36 subzone or expansion subzone. For the purposes of the subzone,
37 improvement subzone or expansion subzone exemption, building
38 machinery and equipment shall include distribution equipment
39 purchased for the exclusive use, consumption and utilization in
40 a subzone, improvement subzone or expansion subzone facility.]
41 (Reserved).

42 (c) Definition.--Sales at retail of tangible personal
43 property and services shall be defined in accordance with
44 Article II of the Tax Reform Code of 1971.

45 Section 7. The amendment of sections 515 and

46 Amend Sec. 7, page 14, line 4, by striking out "7" and
47 inserting

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