

## AMENDMENTS TO HOUSE BILL NO. 1177

Sponsor: SENATOR WILLIAMS

Printer's No. 3870

1 Amend Bill, page 1, line 5, by inserting after "COUNTIES"  
2 and for a local option cigarette tax in school districts of the  
3 first class and local sales tax revenues in cities of the  
4 first class

5 Amend Bill, page 6, line 12, by striking out "A SECTION" and  
6 inserting  
7 sections

8 Amend Bill, page 10, by inserting between lines 8 and 9

9 Section 8723. Local option cigarette tax in school districts of  
10 the first class.

11 (a) Authorization.--The following shall apply:

12 (1) A school district may, if authorized by ordinance of  
13 the governing body of a city of the first class adopted prior  
14 to or after the effective date of this section, impose and  
15 assess an excise tax upon the sale or possession of  
16 cigarettes within the school district at a rate of 10¢ per  
17 cigarette. Only one sale shall be taxable and used in  
18 computing the amount of tax due, whether the sale is of  
19 individual cigarettes, packages, cartons or cases.

20 (2) The governing body of the city of the first class  
21 and school district may amend, respectively, the ordinance  
22 authorizing the imposition of the tax and the resolution  
23 imposing the tax authorized by this section to reflect the  
24 provisions of this section in the fiscal year in which this  
25 section takes effect.

26 (b) Exception.--The tax authorized under subsection (a) may  
27 not be levied upon the possession or sale of any cigarette that  
28 is exempt from, or which is otherwise not subject to, levy under  
29 Article XII of the Tax Reform Code and the regulations  
30 promulgated under that article.

31 (c) Collection.--

32 (1) The tax authorized under subsection (a) shall be  
33 collected and remitted to the department in the same manner  
34 as the tax imposed under Article XII of the Tax Reform Code.  
35 The regulations promulgated under section 1291 of the Tax

1 Reform Code shall be applicable to the tax authorized under  
2 subsection (a) insofar as the regulations are consistent with  
3 this section.

4 (2) Unless the department promulgates regulations to the  
5 contrary under subsection (d), any stamp affixed under  
6 section 1215 of the Tax Reform Code shall also reflect  
7 payment of any tax authorized under this section.

8 (3) The provisions of section 1216 of the Tax Reform  
9 Code shall not apply to any tax authorized under this  
10 section.

11 (d) Administration.--The department shall administer and  
12 enforce the provisions of this section and may promulgate and  
13 enforce any rules and regulations not inconsistent with the  
14 provisions of this section.

15 (e) Reimbursement of costs.--From the tax collected under  
16 this section, the department may retain a sum of the costs of  
17 collection and shall, on a monthly basis, notify in writing the  
18 school district imposing the tax of the sum retained and the  
19 costs of collection under this section. Annually, the department  
20 shall estimate its cost of collection under this section for the  
21 next succeeding fiscal year and shall provide the estimate to  
22 the school district.

23 (f) Certified copy of ordinance to department.--A school  
24 district that adopts a resolution:

25 (1) To impose the tax authorized under this section or  
26 to change the rate of the tax shall provide a certified copy  
27 of the resolution to the department not later than 20 days  
28 prior to the effective date of the tax or change to the tax.

29 (2) To repeal the tax authorized under this section  
30 shall provide a certified copy of the resolution to the  
31 department not later than 30 days prior to the effective date  
32 of the repeal.

33 (g) Effective date.--The effective date of any tax  
34 authorized under this section or change to the tax shall be no  
35 earlier than 30 days after the adoption of the resolution or  
36 ordinance.

37 (h) Local Cigarette Tax Fund.--

38 (1) The Local Cigarette Tax Fund is established in the  
39 State Treasury and the State Treasurer shall be custodian of  
40 the fund. The fund shall be subject to the provisions of law  
41 applicable to funds listed in section 302 of the act of April  
42 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

43 (2) The tax imposed under subsection (a) shall be  
44 received by the department and paid to the State Treasurer  
45 and, along with interest and penalties, less any collection  
46 costs allowed under this section and any refunds and credits  
47 paid, shall be credited to the fund not less frequently than  
48 every two weeks. During any period prior to the credit of  
49 moneys to the fund, interest earned on moneys received by the  
50 department and paid to the State Treasurer under this section  
51 shall be deposited into the fund.

1           (3) Moneys credited to the fund shall be property of the  
2 school district and shall be distributed as provided in this  
3 section. The money in the fund, including, but not limited  
4 to, money credited to the fund under this section, prior year  
5 encumbrances and the interest earned thereon, shall not lapse  
6 or be transferred to any other fund, but shall remain in the  
7 fund and must be used exclusively as provided in this  
8 section.

9           (4) Pending their disbursement to the school district,  
10 moneys received on behalf of or deposited into the fund shall  
11 be invested or reinvested as are other funds in the custody  
12 of the State Treasurer in the manner provided by law. The  
13 earnings received from the investment or deposit of the funds  
14 shall be credited to the fund.

15           (i) Disbursement to school district.--On or before the 10th  
16 day of every month, the State Treasurer shall disburse to the  
17 school district imposing the tax under this section the total  
18 amount of moneys which are, as of the last day of the previous  
19 month, contained in the fund.

20           (j) Definitions.--As used in this section, the following  
21 words and phrases shall have the meanings given to them in this  
22 subsection unless the context clearly indicates otherwise:

23           "Cigarette." As defined in section 1201 of the Tax Reform  
24 Code.

25           "Department." The Department of Revenue of the Commonwealth.

26           "Fund." The Local Cigarette Tax Fund established under this  
27 section.

28           "Sale." As defined in section 1201 of the Tax Reform Code.

29           "School district." A school district of the first class  
30 coterminous with a city of the first class.

31           "Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),  
32 known as the Tax Reform Code of 1971.

33           Section 8724. Local sales tax revenues in cities of the first  
34 class.

35           Notwithstanding the provisions of section 696 of the act of  
36 March 10, 1949 (P.L.30, No.14), known as the Public School Code  
37 of 1949, an increase in grants to a school district of the first  
38 class by a city of the first class based on debt service to be  
39 paid as authorized under section 201-B(f)(1) of the act of March  
40 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
41 shall not require a comparable increase in grants by the city in  
42 subsequent years.

43           Amend Bill, page 10, line 9, by striking out "in 60 days."  
44 and inserting

45           as follows:

46           (1) The following provisions shall take effect  
47 immediately:

48           (i) The addition of sections 8723 and 8724 of the  
49 act.

1                   (ii) This section.  
2           (2) The remainder of this act shall take effect in 60  
3   days.