

AMENDMENTS TO HOUSE BILL NO. 504 (As amended by A01564)

Sponsor: REPRESENTATIVE F. KELLER

Printer's No. 561

1 Amend Bill, page 1, lines 3 through 7 (A01564), by striking
2 out all of said lines and inserting
3 ; imposing tax on personal income, sales and use of personal
4 property and hotel use; establishing a fund for county property
5 tax elimination; and prohibiting county property tax.

6 Amend Bill, page 1, line 25 (A01564), by striking out
7 "articles" and inserting
8 an article

9 Amend Bill, page 1, lines 26 through 35; pages 2 through 21,
10 lines 1 through 51; page 22, lines 1 through 33 (A01564), by
11 striking out all of said lines on said pages and inserting

ARTICLE XVICOUNTY PROPERTY TAX ELIMINATIONPART IPRELIMINARY PROVISIONS

12 Section 1601. Short title of article.

13 This article shall be known and may be cited as the County
14 Property Tax Elimination Act.

15 Section 1602. Definitions.

16 The following words and phrases when used in this article
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

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

20 "Equalization factor." A fraction determined as follows:

21 (1) Add:

22 (i) the rate of tax imposed under section 1621; and

23 (ii) the rate of tax imposed under section 1622.

24 (2) Divide:

25 (i) the rate of tax imposed under section 1623; by

26 (ii) the sum under paragraph (1).

27 (3) Express the quotient under paragraph (2) as a
28 fraction.

29 "Fund." The County Property Tax Elimination Fund established

1 in section 1603.

2 "Real property tax." The total dollar value of real property
3 tax paid by property owners in a county determined by adding the
4 real property taxes collected by, or on behalf of, the county.

5 "Secretary." The Secretary of the Budget.
6 Section 1603. Fund.

7 (a) Establishment.--The County Property Tax Elimination Fund
8 is established as a special fund in the State Treasury.

9 (b) Purposes.--

10 (1) Money in the fund shall be used for the purpose
11 enumerated in section 1633.

12 (2) Beginning in 2017, in order to ensure that the
13 General Fund is not negatively impacted by the imposition of
14 the tax under section 1621, by June 30 of a taxable year when
15 the tax under section 1621 is applicable, the State Treasurer
16 shall transfer from the fund to the General Fund an amount
17 equal to the product of:

18 (i) the equalization factor; and

19 (ii) the amount of refunds issued under Article III.

20 (c) Use.--Money in the fund is subject to the following:

21 (1) Transfer under subsection (b)(2).

22 (2) Distribution under section 1634.

23 (d) Sources.--The following are the sources of the fund:

24 (1) Money generated by the taxes under sections 1621 and
25 1622.

26 (2) Appropriations.

27 (3) Return on money in the fund.

28 (e) Nonlapse.--Money in the fund is continuously
29 appropriated into the fund. This appropriation shall not lapse
30 at the end of any fiscal year.

31 PART II

32 COUNTY PROPERTY TAX ELIMINATION

33 FROM STATEWIDE SOURCES

34 Section 1621. Additional personal income tax.

35 (a) Imposition.--There is imposed a tax upon each class of
36 income as defined in Article III.

37 (b) Rate.--The tax imposed by subsection (a) shall be at the
38 rate of 0.33%.

39 (c) Deposit of tax proceeds.--The department shall deposit
40 into the fund an amount determined as follows:

41 (1) Add:

42 (i) tax collected under this section; and

43 (ii) tax collected under Article III.

44 (2) Multiply:

45 (i) the sum under paragraph (1); by

46 (ii) the equalization factor.

47 (d) Administration.--The tax shall be calculated, collected
48 and paid over to the Commonwealth in the same manner as provided
49 in Article III and 61 Pa. Code Pt. I Art. V (relating to
50 personal income tax).

51 (e) Construction.--The tax imposed by this section shall be

1 in addition to the tax imposed under the following:

2 (1) Article III.

3 (2) Section 321(c) of the act of June 27, 2006 (1st
4 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.
5 Section 1622. Additional sales, use and hotel tax.

6 (a) Sales and use tax.--There is imposed a tax upon each
7 separate sale at retail of tangible personal property or
8 services. The tax under this subsection shall be imposed upon
9 the purchase price.

10 (b) Use tax.--There is imposed a tax upon the use of
11 tangible personal property purchased at retail and on services
12 purchased at retail. The tax under this subsection shall be
13 imposed upon the purchase price.

14 (c) Hotel tax.--There is imposed an excise tax on the rent
15 upon occupancy of a hotel.

16 (d) Rate and computation.--The tax imposed by subsections
17 (a), (b) and (c) shall be at a rate of 1%.

18 (e) Administration.--The tax shall be calculated, collected
19 and paid over to the Commonwealth in the same manner as provided
20 in Article II and 61 Pa. Code Pt. I Art. II (relating to sales
21 and use tax), subject to all of the following:

22 (1) The tax under subsection (a) shall be collected by
23 the vendor from the purchaser.

24 (2) Except as set forth in paragraph (3), the tax under
25 subsection (b) shall be paid over to the Commonwealth by the
26 person who makes the use.

27 (3) Paragraph (2) shall not apply if the person:

28 (i) has paid the tax imposed under subsection (a);

29 or

30 (ii) has paid the tax imposed under this subsection
31 to the vendor with respect to the use.

32 (4) The tax under subsection (c) shall be collected by
33 the operator or owner from the occupant and paid over to the
34 Commonwealth.

35 (f) Deposit of tax proceeds.--From taxes collected under
36 this section, the department shall deposit into the fund one-
37 seventh of the sum of:

38 (1) the amount collected under this section; and

39 (2) the amount collected under Article II.

40 (g) Construction.--The tax imposed by this section shall be
41 in addition to the tax imposed under the following:

42 (1) Section 3152-B of the act of July 28, 1953 (P.L.723,
43 No.230), known as the Second Class County Code.

44 (2) Articles II and II-B.

45 (3) Section 503 of the act of June 5, 1991 (P.L.9,
46 No.6), known as the Pennsylvania Intergovernmental
47 Cooperation Authority Act for Cities of the First Class.

48 (h) Definitions.--As used in this section, the following
49 words and phrases shall have the meanings given to them in this
50 subsection unless the context clearly indicates otherwise:

51 "Hotel." As defined in section 209(a)(1).

1 "Purchase price." As defined in section 201(g).

2 "Sale at retail." As defined in section 201(k).

3 "Tangible personal property." As defined in section 201(m).

4 PART V

5 DISTRIBUTION

6 Section 1631. Scope of part.

7 This chapter relates to the allocation of State money for the
8 dollar-for-dollar elimination of county property taxes.

9 Section 1632. Certifications.

10 (a) Duty.--By April 30, the secretary shall certify the
11 total amount of money in the fund.

12 (b) Notification.--By May 15, the secretary shall notify the
13 Department of Community and Economic Development of the amount
14 certified under subsection (a).

15 Section 1633. Mandatory use of funds.

16 A county which imposes a tax on real property shall utilize
17 money received from the fund for the elimination of real
18 property taxes.

19 Section 1634. County property tax distribution.

20 (a) Requirement.--By June 30, the Department of Community
21 and Economic Development shall distribute from the fund to each
22 county the amount under subsection (b).

23 (b) Amount.--The distribution amount shall consist of the
24 following:

25 (1) The total amount of property tax collected by the
26 county in 2016.

27 (2) A prorated amount of money remaining in the fund
28 after distribution under paragraph (1). The amount under this
29 paragraph shall be calculated as follows:

30 (i) Divide:

31 (A) the amount of real property tax collected by
32 the county in 2016; by

33 (B) the amount of real property tax collected by
34 all counties in 2016.

35 (ii) Multiply:

36 (A) the quotient under subparagraph (i); by

37 (B) the amount of money remaining in the fund
38 after distribution under paragraph (1).

39 Section 1635. Real property tax.

40 (a) Prohibition.--Except as set forth in subsection (b), a
41 county may not impose a tax on real property.

42 (b) Delinquency.--Subsection (a) shall not apply to the
43 collection of delinquent real property taxes owed to the county.

44 PART X

45 MISCELLANEOUS PROVISIONS

46 Section 1691. Applicability.

47 (a) Personal income tax.--The tax under section 1621 shall
48 apply to taxable years beginning after December 31, 2015.

49 (b) Sales, use and hotel tax.--The tax under section 1622
50 shall apply to taxable transactions which occur after January 1,
51 2016.

1 Amend Bill, page 22, line 36 (A01564), by striking out "6"
2 and inserting
3 4
4 Amend Bill, page 22, lines 39 through 43 (A01564), by
5 striking out all of said lines and inserting
6 Section 4. Effective date
7 This act shall take effect as follows:
8 (1) The following provisions shall take effect January
9 1, 2017:
10 (i) Section 1632.
11 (ii) Section 1634(a).
12 (iii) Section 1635.
13 (2) The remainder of this act shall take effect
14 immediately.