AMENDMENTS TO HOUSE BILL NO. 542

Sponsor: REPRESENTATIVE J. HARRIS

Printer's No. 568

Amend Bill, page 1, lines 1 through 11, by striking out all of said lines and inserting

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," in tax for education, further providing for definitions and providing for notice requirements for remote sellers.

Amend Bill, page 1, lines 14 through 23; page 2, lines 1 through 12; by striking out all of said lines on said pages and inserting

Section 1. Section 201 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended by adding a clause to read:

Section 201. Definitions.--The following words, terms and phrases when used in this Article II shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

(eee) "Remote seller." A vendor located outside this Commonwealth that sells tangible personal property or services that are not exempt from the tax imposed under this article to a purchaser in this Commonwealth but does not collect the tax.

Section 2. The act is amended by adding a section to read:

Section 248.7. Notice Requirements for Remote Sellers.--(a) A remote seller making a sale in this Commonwealth shall notify the purchaser that sales or use tax is due on the nonexempt purchase and that the Commonwealth requires the purchaser to pay the tax due on the purchaser's tax return. Failure to provide

the notice required under this subsection shall subject the remote seller to a penalty of five dollars ($5.00) for each failure, unless the remote seller shows reasonable cause for the failure.

(b) On or before January 31 of each year, a remote seller shall send notice to each purchaser in this Commonwealth who made five hundred dollars ($500.00) or more of purchases from the remote seller in the previous calendar year. The notice shall include all of the following:

(1) The total amount paid by the purchaser for purchases made from the remote seller in the previous calendar year.

(2) A statement that the Commonwealth requires a sales or use tax return to be filed and sales or use tax to be paid on nonexempt purchases made by the purchaser from the remote seller.

(3) Any information required by the department by rule. The notice shall be sent separately by first-class mail or electronic mail and may not be included with any other shipments. The notice shall include the name of the remote seller and the words "Important Tax Document Enclosed" on the exterior of the mailing. Failure to send the notice required under this subsection shall subject the remote seller to a penalty of ten dollars ($10.00) for each failure, unless the remote seller shows reasonable cause for the failure.

(c) The department is authorized to adopt rules and procedures and create forms necessary to implement this section.

Amend Bill, page 2, line 13, by striking out "2" and inserting

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