AN ACT

Providing for tax levies and information related to taxes; authorizing the imposition of a personal income tax or an earned income tax by a school district subject to voter approval; providing for imposition of and exclusions from a sales and use tax for the stabilization of education funding, for increase to the personal income tax, for certain licenses, for hotel occupancy tax, for procedure and administration of the tax, for expiration of authority to issue certain debt and for reporting by local government units of debt outstanding; establishing the Education Stabilization Fund; providing for disbursements from the Education Stabilization Fund and for senior citizen property tax and rent rebate assistance; and making repeals.

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Section 1507. Effective date.

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

CHAPTER 1
PRELIMINARY PROVISIONS

Section 101. Short title.
This act shall be known and may be cited as the Property Tax Independence Act.

Section 102. Definitions.
The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

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

"Education Stabilization Fund." The Education Stabilization Fund established in section 1302.

"Fiscal year." The fiscal year of the Commonwealth beginning on July 1 and ending on June 30 of the immediately following calendar year.

"Governing body." The board of school directors of a school district, except that the term shall mean the city council of a city of the first class for purposes of the levy and collection of any tax in a school district of the first class.


"Local Tax Enabling Act." The act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act,


"School district." A school district of the first class, first class A, second class, third class or fourth class,
including any independent school district. For purposes of the
levy, assessment and collection of any tax in a school district
of the first class, the term shall include the city council.

"School per capita tax." The tax authorized pursuant to
section 679 of the act of March 10, 1949 (P.L.30, No.14), known
as the Public School Code of 1949.

"Secretary." The Secretary of Revenue of the Commonwealth.

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

CHAPTER 3

TAXATION BY SCHOOL DISTRICTS

Section 301. Scope.

This chapter authorizes school districts to levy, assess and
collect a tax on personal income or a tax on earned income and
net profits as a means of abolishing property taxation by the
school district.

Section 302. Definitions.

The words and phrases used in this chapter shall have the
same meanings given to them in the Tax Reform Code of 1971 or
the Local Tax Enabling Act unless the context clearly indicates
otherwise.

Section 303. Limitation.

Any tax imposed under this chapter shall be subject to the
limitations set forth in Chapter 11.

Section 304. Preemption.

No act of the General Assembly shall vacate or preempt any
resolution passed or adopted under the authority of this
chapter, or any other act, providing authority for the
imposition of a tax by a school district, unless the act of the
General Assembly expressly vacates or preempts the authority to
pass or adopt resolutions.

Section 305. General tax authorization.

(a) General rule.--A board of school directors may, by resolution, levy, assess and collect or provide for the levying, assessment and collection of a tax on personal income or a tax on earned income and net profits for general revenue purposes.

(b) Personal income tax.--

(1) A board of school directors may levy, assess and collect a tax on the personal income of resident individuals at a rate determined by the board of school directors.

(2) A school district which seeks to levy the tax authorized under paragraph (1) must comply with section 306.

(3) If a board of school directors seeks to impose a personal income tax under this subsection and the referendum under section 306 is approved by the electorate, the board of school directors shall have no authority to impose an earned income and net profits tax under subsection (c) or any other act.

(4) A personal income tax imposed under the authority of this section shall be levied by the school district on each of the classes of income specified in section 303 of the Tax Reform Code of 1971 and regulations under that section, provisions of which are incorporated by reference into this chapter.

(i) Notwithstanding the provisions of section 353(f) of the Tax Reform Code of 1971, the department may permit the proper officer or an authorized agent of a school district imposing a personal income tax pursuant to this chapter to inspect the tax returns of any taxpayer of the school district or may furnish to the officer or an
authorized agent an abstract of the return of income of any current or former resident of the school district or supply information concerning any item of income contained in any tax return. The officer or authorized agent of the school district imposing a tax under this chapter shall be furnished the requested information upon payment to the department of the actual cost of providing the requested information.

(ii) (A) Except for official purposes or as provided by law, it shall be unlawful for any officer or authorized agent of a school district to do any of the following:

(I) Disclose to any other individual or entity the amount or source of income, profits, losses, expenditures or any particular information concerning income, profits, losses or expenditures contained in any return.

(II) Permit any other individual or entity to view or examine any return or copy of a return or any book containing any abstract or particulars.

(III) Print, publish or publicize in any manner any return; any particular information contained in or concerning the return; any amount or source of income, profits, losses or expenditures in or concerning the return; or any particular information concerning income, profits, losses or expenditures contained in or relating to any return.

(B) Any officer or authorized agent of a school
district that violates clause (A):

(I) May be fined not more than $1,000 or
    imprisoned for not more than one year, or both.

(II) May be removed from office or
    discharged from employment.

(c) Earned income and net profits tax.—

(1) A board of school directors may levy, assess and
    collect a tax on earned income and net profits of resident
    individuals at a rate determined by the board of school
    directors.

(2) A school district which seeks to levy the tax
    authorized under paragraph (1) must comply with section 306.

(3) If a board of school directors seeks to impose a tax
    on earned income and net profits under this subsection and
    the referendum under section 306 is approved by the
    electorate, the board of school directors shall have no
    authority to impose a personal income tax under subsection
    (b) or any other act.

Section 306. Referendum.

(a) General rule.—In order to levy a personal income tax or
    an earned income and net profits tax under this chapter, a
    governing body shall use the procedures set forth in subsections
    (b), (c), (d), (e), (f) and (g).

(b) Approved by electorate.—

(1) Subject to notice and public hearing requirements of
    subsection (g), a governing body may levy the personal income
    tax or earned income and net profits tax under this chapter
    only by obtaining the approval of the electorate of the
    affected school district in a public referendum at only the
    primary election preceding the fiscal year when the personal
income tax or earned income and net profits tax will be
initially imposed or the rate increased.

(2) The referendum question must state the initial rate
of the proposed personal income tax or earned income and net
profits tax, the purpose of the tax, the duration of the tax
and the amount of revenue to be generated by the
implementation of the tax.

(3) The question shall be in clear language that is
readily understandable by a layperson. For the purpose of
illustration, a referendum question may be framed as follows:

Do you favor paying a personal income tax of X% for
the purpose of X, for X years, which will generate
$X?

Do you favor paying an earned income and net profits
tax of X% for the purpose of X, for X years, which
will generate $X?

(4) A nonlegal interpretative statement must accompany
the question in accordance with section 201.1 of the act of
June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
Election Code, that includes the following:

(i) the initial rate of the personal income or
earned income and net profits tax imposed under this
chapter; and

(ii) the estimated revenues to be derived from the
initial rate imposed under this chapter.

(c) School district located in more than one county.--In the
event a school district is located in more than one county,
petitions under this section shall be filed with the election
officials of the county in which the administrative offices of
the school district are located.
(d) Review and certification.--The election officials who receive a petition shall perform all administrative functions in reviewing and certifying the validity of the petition and conduct all necessary communications with the school district.

(e) Notification.--

(1) If the election officials of the county who receive the petition certify that it is sufficient under this section and determine that a question should be placed on the ballot, the decision shall be communicated to election officials in any other county in which the school district is also located.

(2) Election officials in the other county or counties shall cooperate with election officials of the county that receives the petition to ensure that an identical question is placed on the ballot at the same election throughout the entire school district.

(f) Certification of results.--Election officials from each county involved shall independently certify the results from their county to the governing body.

(g) Adoption of resolution.--

(1) In order to levy the tax under this section, the governing body shall adopt a resolution which shall refer to this chapter prior to placing a question on the ballot.

(2) Prior to adopting a resolution imposing the tax authorized by this section, the governing body shall give public notice of its intent to adopt the resolution in the manner provided by the Local Tax Enabling Act and shall conduct at least two public hearings regarding the proposed adoption of the resolution. One public hearing shall be conducted during normal business hours and one public hearing...
shall be conducted during evening hours or on a weekend.

Section 307. Continuity of tax.

Every tax levied under this chapter shall continue in force on a fiscal year basis without annual reenactment unless the rate of the tax is subsequently changed or the duration placed on the referendum has expired.

Section 308. Collections.

Any income tax imposed under this chapter shall be subject to the provisions for collection and delinquency found in the Local Tax Enabling Act.

Section 309. Credits.

(a) Credit.--Except as set forth in subsection (b), the provisions of the Local Tax Enabling Act shall be applied by a board of school directors to determine any credits applicable to a tax imposed under this chapter.

(b) Limitation.--Payment of any tax on income to any state other than Pennsylvania or to any political subdivision located outside the boundaries of this Commonwealth by a resident of a school district located in this Commonwealth shall not be credited to and allowed as a deduction from the liability of such person for any income tax imposed by the school district of residence pursuant to this chapter.

Section 310. Exemption and special provisions.

(a) Earned income and net profits tax.--A school district that imposes an earned income and net profits tax authorized under section 305(c) may exempt from the payment of that tax any person whose total income from all sources is less than $12,000.

(b) Applicability to personal income tax.--Section 304 of the Tax Reform Code of 1971 shall apply to any personal income tax levied by a school district under section 305(b).
Section 311. Regulations.

A school district that imposes:

(1) an earned income and net profits tax authorized under section 305(c) shall be subject to the provisions of the Local Tax Enabling Act and may adopt procedures for the processing of claims for credits and exemptions under sections 309 and 310; or

(2) a personal income tax under section 305(b) shall be subject to all regulations adopted by the department in administering the tax due to the Commonwealth under Article III of the Tax Reform Code of 1971.

CHAPTER 4

EDUCATION TAX

Section 401. Education tax.

(a) General rule.--In addition to the tax collected under section 302 of the Tax Reform Code of 1971, the Commonwealth shall impose and administer the tax set forth in subsection (b) in the same manner as the tax under Article III of the Tax Reform Code of 1971.

(b) Imposition of tax.--

(1) Every resident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income enumerated in section 303 of the Tax Reform Code of 1971, a tax upon each dollar of income received by that resident during that resident's taxable year at the rate of 1.88%.

(2) Every nonresident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income enumerated in section 303 of the Tax Reform Code of 1971 from sources within this state.
Commonwealth, a tax upon each dollar of income received by
that nonresident during that nonresident's taxable year at
the rate of 1.88%.
(c) Deposit in Education Stabilization Fund.--
(1) All moneys collected under this section shall be
deposited in the Education Stabilization Fund.
(2) So much of the proceeds of the tax imposed by this
chapter as shall be necessary for the payment of refunds,
enforcement or administration under this chapter is hereby
appropriated to the department for such purposes.
(d) Combination of tax forms.--The department shall
incorporate the taxpayer reporting requirement for the
implementation of this section into the forms utilized by the
(e) Definitions.--The words and phrases used in this section
shall have the same meaning given to them in Article III of the

CHAPTER 7
SALES AND USE TAX FOR THE
STABILIZATION OF EDUCATION FUNDING
SUBCHAPTER A
PRELIMINARY PROVISIONS
Section 700. Scope.
The tax provided for under this chapter shall be known as the
Sales and Use Tax for the Stabilization of Education Funding,
which shall be a replacement for the sales and use tax
authorized under Article II of the Tax Reform Code of 1971 and
that is repealed by this act.
Section 701. Definitions.
The following words and phrases when used in this chapter
shall have the meanings given to them in this section unless the context clearly indicates otherwise:

(a) "Soft drinks."

(1) All nonalcoholic beverages, whether carbonated or not, such as soda water, ginger ale, Coca Cola, lime cola, Pepsi Cola, Dr Pepper, fruit juice when plain or carbonated water, flavoring or syrup is added, carbonated water, orangeade, lemonade, root beer or any and all preparations, commonly referred to as soft drinks, of whatsoever kind, and are further described as including any and all beverages, commonly referred to as soft drinks, which are made with or without the use of any syrup.

(2) The term does not include natural fruit or vegetable juices or their concentrates, or noncarbonated fruit juice drinks containing not less than 25% by volume of natural fruit juices or of fruit juice which has been reconstituted to its original state, or natural concentrated fruit or vegetable juices reconstituted to their original state, whether any of the natural juices are frozen or unfrozen, sweetened or unsweetened, seasoned with salt or spice or unseasoned. The term also does not include coffee, coffee substitutes, tea, cocoa, natural fluid milk or noncarbonated drinks made from milk derivatives.

(b) "Maintaining a place of business in this Commonwealth."

(1) Having, maintaining or using within this Commonwealth, either directly or through a subsidiary, representative or an agent, an office, distribution house, sales house, warehouse, service enterprise or other place of business; or any agent of general or restricted authority, or representative, irrespective of whether the place of
business, representative or agent is located in this Commonwealth, permanently or temporarily, or whether the person or subsidiary maintaining the place of business, representative or agent is authorized to do business within this Commonwealth.

(1.1) Providing taxable services.

(2) Engaging in any activity as a business within this Commonwealth by any person, either directly or through a subsidiary, representative or an agent, in connection with the lease, sale or delivery of tangible personal property or the performance of services thereon for use, storage or consumption or in connection with the sale or delivery for use of the services described in subclauses (11) through (18) of clause (k) of this section, including, but not limited to, having, maintaining or using any office, distribution house, sales house, warehouse or other place of business, any stock of goods or any solicitor, canvasser, salesman, representative or agent under its authority, at its direction or with its permission, regardless of whether the person or subsidiary is authorized to do business in this Commonwealth.

(3) Regularly or substantially soliciting orders within this Commonwealth in connection with the lease, sale or delivery of tangible personal property to or the performance thereon of services or in connection with the sale or delivery of the services described in subclauses (11) through (18) of clause (k) of this section for residents of this Commonwealth by means of catalogs or other advertising, whether the orders are accepted within or without this Commonwealth.

(3.1) Entering this Commonwealth by any person to
provide assembly, service or repair of tangible personal
property, either directly or through a subsidiary,
representative or an agent.

(3.2) Delivering tangible personal property to locations
within this Commonwealth if the delivery includes the
unpacking, positioning, placing or assembling of the tangible
personal property.

(3.3) Having any contact within this Commonwealth which
would allow the Commonwealth to require a person to collect
and remit tax under the Constitution of the United States.

(3.4) Providing a customer's mobile telecommunications
service deemed to be provided by the customer's home service
provider under the Mobile Telecommunications Sourcing Act
(Public Law 106-252, 4 U.S.C. § 116). For purposes of this
clause, words and phrases used in this clause shall have the
meanings given to them in the Mobile Telecommunications
Sourcing Act.

(4) The term does not include:

(i) Owning or leasing of tangible or intangible
property by a person who has contracted with an
unaffiliated commercial printer for printing, provided
that:

(A) the property is for use by the commercial
printer; and

(B) the property is located at the Pennsylvania
premises of the commercial printer.

(ii) Visits by a person's employees or agents to the
premises in this Commonwealth of an unaffiliated
commercial printer with whom the person has contracted
for printing in connection with said contract.
(c) "Manufacture." The performance of manufacturing, fabricating, compounding, processing or other operations, engaged in as a business, which place any tangible personal property in a form, composition or character different from that in which it is acquired whether for sale or use by the manufacturer, and shall include, but not be limited to:

1. Every operation commencing with the first production stage and ending with the completion of tangible personal property having the physical qualities, including packaging, if any, passing to the ultimate consumer, which it has when transferred by the manufacturer to another. For purposes of this definition, "operation" includes clean rooms and their component systems, including: environmental control systems, antistatic vertical walls and manufacturing platforms and floors which are independent of the real estate; process piping systems; specialized lighting systems; deionized water systems; process vacuum and compressed air systems; process and specialty gases; and alarm or warning devices specifically designed to warn of threats to the integrity of the product or people. For purposes of this definition, a "clean room" is a location with a self-contained, sealed environment with a controlled, closed air system independent from the facility's general environmental control system.

2. The publishing of books, newspapers, magazines and other periodicals and printing.

3. Refining, blasting, exploring, mining and quarrying for, or otherwise extracting from the earth or from waste or stock piles or from pits or banks any natural resources, minerals and mineral aggregates including blast furnace slag.

4. Building, rebuilding, repairing and making additions
to, or replacements in or upon vessels designed for commercial use of registered tonnage of 50 tons or more when produced on special order of the purchaser, or when rebuilt, repaired or enlarged, or when replacements are made upon order of or for the account of the owner.

(5) Research having as its objective the production of a new or an improved:

(i) product or utility service; or

(ii) method of producing a product or utility service,

but in either case not including market research or research having as its objective the improvement of administrative efficiency.

(6) Remanufacture for wholesale distribution by a remanufacturer of motor vehicle parts from used parts acquired in bulk by the remanufacturer using an assembly line process which involves the complete disassembly of such parts and integration of the components of such parts with other used or new components of parts, including the salvaging, recycling or reclaiming of used parts by the remanufacturer.

(7) Remanufacture or retrofit by a manufacturer or remanufacturer of aircraft, armored vehicles, other defense-related vehicles having a finished value of at least $50,000. Remanufacture or retrofit involves the disassembly of such aircraft, vehicles, parts or components, including electric or electronic components, the integration of those parts and components with other used or new parts or components, including the salvaging, recycling or reclaiming of the used parts or components and the assembly of the new or used aircraft, vehicles, parts or components. For purposes of this
clause, the following terms or phrases have the following meanings:

(i) "aircraft" means fixed-wing aircraft, helicopters, powered aircraft, tilt-rotor or tilt-wing aircraft, unmanned aircraft and gliders;
(ii) "armored vehicles" means tanks, armed personnel carriers and all other armed track or semitrack vehicles;
and
(iii) "other defense-related vehicles" means trucks, truck-tractors, trailers, jeeps and other utility vehicles, including any unmanned vehicles.

(8) Remanufacture by a remanufacturer of locomotive parts from used parts acquired in bulk by the remanufacturer using an assembly line process which involves the complete disassembly of such parts and integration of the components of such parts with other used or new components of parts, including the salvaging, recycling or reclaiming of used parts by the remanufacturer.

The term does not include constructing, altering, servicing, repairing or improving real estate or repairing, servicing or installing tangible personal property, nor the producing of a commercial motion picture, nor the cooking, freezing or baking of fruits, vegetables, mushrooms, fish, seafood, meats, poultry or bakery products.

(c.1) "Blasting." The use of any combustible or explosive composition in the removal of material resources, minerals and mineral aggregates from the earth including the separation of the dirt, waste and refuse in which they are found.

(d) "Processing." The performance of the following activities when engaged in as a business enterprise:
(1) The filtering or heating of honey, the cooking, baking or freezing of fruits, vegetables, mushrooms, fish, seafood, meats, poultry or bakery products, when the person engaged in the business packages the property in sealed containers for wholesale distribution.

(1.1) The processing of fruits or vegetables by cleaning, cutting, coring, peeling or chopping and treating to preserve, sterilize or purify and substantially extend the useful shelf life of the fruits or vegetables, when the person engaged in the activity packages the property in sealed containers for wholesale distribution.

(2) The scouring, carbonizing, cording, combing, throwing, twisting or winding of natural or synthetic fibers, or the spinning, bleaching, dyeing, printing or finishing of yarns or fabrics, when the activities are performed prior to sale to the ultimate consumer.

(3) The electroplating, galvanizing, enameling, anodizing, coloring, finishing, impregnating or heat treating of metals or plastics for sale or in the process of manufacturing.

(3.1) The blanking, shearing, leveling, slitting or burning of metals for sale to or use by a manufacturer or processor.

(4) The rolling, drawing or extruding of ferrous and nonferrous metals.

(5) The fabrication for sale of ornamental or structural metal or of metal stairs, staircases, gratings, fire escapes or railings, not including fabrication work done at the construction site.

(6) The preparation of animal feed or poultry feed for
(7) The production, processing and bottling of nonalcoholic beverages for wholesale distribution.

(8) The operation of a sawmill or planing mill for the production of lumber or lumber products for sale. The operation of a sawmill or planing mill begins with the unloading by the operator of the sawmill or planing mill of logs, timber, pulpwood or other forms of wood material to be used in the sawmill or planing mill.

(9) The milling for sale of flour or meal from grains.

(9.1) The aging, stripping, conditioning, crushing and blending of tobacco leaves for use as cigar filler or as components of smokeless tobacco products for sale to manufacturers of tobacco products.

(10) The slaughtering and dressing of animals for meat to be sold or to be used in preparing meat products for sale, and the preparation of meat products including lard, tallow, grease, cooking and inedible oils for wholesale distribution.

(11) The processing of used lubricating oils.

(12) The broadcasting of radio and television programs of licensed commercial or educational stations.

(13) The cooking or baking of bread, pastries, cakes, cookies, muffins and doughnuts when the person engaged in the activity sells the items at retail at locations that do not constitute an establishment from which ready-to-eat food and beverages are sold. For purposes of this clause, a bakery, a pastry shop and a doughnut shop shall not be considered an establishment from which ready-to-eat food and beverages are sold.

(14) The cleaning and roasting and the blending,
grinding or packaging for sale of coffee from green coffee beans or the production of coffee extract.

(15) The preparation of dry or liquid fertilizer for sale.

(16) The production, processing and packaging of ice for wholesale distribution.

(17) The producing of mobile telecommunications services.

(18) The collection, washing, sorting, inspecting and packaging of eggs.

(e) "Person." Any natural person, association, fiduciary, partnership, corporation or other entity, including the Commonwealth of Pennsylvania, its political subdivisions and instrumentalities and public authorities. Whenever used in prescribing and imposing a penalty or imposing a fine or imprisonment, or both, the term as applied to an association, includes the members of the association and, as applied to a corporation, the officers of the corporation.

(f) "Purchase at retail."

(1) The acquisition for a consideration of the ownership, custody or possession of tangible personal property other than for resale by the person acquiring the same when the acquisition is made for the purpose of consumption or use, whether the acquisition is absolute or conditional, and by any means it is effected.

(2) The acquisition of a license to use or consume, and the rental or lease of tangible personal property, other than for resale regardless of the period of time the lessee has possession or custody of the property.

(3) The obtaining for a consideration of those services
described in subclauses (2), (3) and (4) of clause (k) of this section other than for resale.

(4) A retention after March 7, 1956, of possession, custody or a license to use or consume pursuant to a rental contract or other lease arrangement (other than as security) other than for resale.

(5) The obtaining for a consideration of those services described in subclauses (11) through (18) of clause (k) of this section.

The term, with respect to liquor and malt or brewed beverages, includes the purchase of liquor from any Pennsylvania Liquor Store by any person for any purpose, and the purchase of malt or brewed beverages from a manufacturer of malt or brewed beverages, distributor or importing distributor by any person for any purpose, except purchases from a manufacturer of malt or brewed beverages by a distributor or importing distributor or purchases from an importing distributor by a distributor within the meaning of the Liquor Code. The term does not include any purchase of malt or brewed beverages from a retail dispenser or any purchase of liquor or malt or brewed beverages from a person holding a retail liquor license within the meaning of and pursuant to the provisions of the Liquor Code, but includes any purchase or acquisition of liquor or malt or brewed beverages other than pursuant to the provisions of the Liquor Code.

(g) "Purchase price."

(1) The total value of anything paid or delivered, or promised to be paid or delivered, whether money or otherwise, in complete performance of a sale at retail or purchase at retail, without any deduction on account of the cost or value of the property sold, cost or value of transportation, cost
or value of labor or service, interest or discount paid or
allowed after the sale is consummated, any other taxes
imposed by the Commonwealth or any other expense except that
there shall be excluded any gratuity or separately stated
deposit charge for returnable containers.

(2) The value of any tangible personal property actually
taken in trade or exchange in lieu of the whole or any part
of the purchase price shall be deducted from the purchase
price. For the purpose of this clause, the amount allowed by
reason of tangible personal property actually taken in trade
or exchange shall be considered the value of such property.

(3) (i) In determining the purchase price on the sale
or use of taxable tangible personal property or a service
where, because of affiliation of interests between the
vendor and purchaser, or irrespective of any such
affiliation, if for any other reason the purchase price
declared by the vendor or taxpayer on the taxable sale or
use of such tangible personal property or service is, in
the opinion of the department, not indicative of the true
value of the article or service or the fair price
thereof, the department shall, pursuant to uniform and
equitable rules, determine the amount of constructive
purchase price on the basis of which the tax shall be
computed and levied. The rules shall provide for a
constructive amount of purchase price for each sale or
use which would naturally and fairly be charged in an
arm's-length transaction in which the element of common
interest between the vendor or purchaser is absent or, if
no common interest exists, any other element causing a
distortion of the price or value is likewise absent.
(ii) For the purpose of this clause where a taxable sale or purchase at retail transaction occurs between a parent and a subsidiary, affiliate or controlled corporation of such parent corporation, there shall be a rebuttable presumption, that because of the common interest, the transaction was not at arm's length.

(4) Where there is a transfer or retention of possession or custody, whether it is termed a rental, lease, service or otherwise, of tangible personal property including, but not limited to, linens, aprons, motor vehicles, trailers, tires, industrial office and construction equipment, and business machines the full consideration paid or delivered to the vendor or lessor shall be considered the purchase price, even though the consideration is separately stated and designated as payment for processing, laundering, service, maintenance, insurance, repairs, depreciation or otherwise. Where the vendor or lessor supplies or provides an employee to operate the tangible personal property, the value of the labor supplied may be excluded and shall not be considered as part of the purchase price if separately stated. There shall also be included as part of the purchase price the value of anything paid or delivered, or promised to be paid or delivered by a lessee, whether money or otherwise, to any person other than the vendor or lessor by reason of the maintenance, insurance or repair of the tangible personal property which a lessee has the possession or custody of under a rental contract or lease arrangement.

(5) (i) With respect to the tax imposed by section 702(a)(2), on any tangible personal property originally purchased by the user of the property six months or
longer prior to the first taxable use of the property within this Commonwealth, the user may elect to pay tax on a substituted base determined by considering the purchase price of the property for tax purposes to be equal to the prevailing market price of similar tangible personal property at the time and place of the first use within this Commonwealth.

(ii) The election must be made at the time of filing a tax return with the department and reporting the tax liability and paying the proper tax due plus all accrued penalties and interest, if any, within six months of the due date of such report and payment, as provided for by section 717(a) and (c).

(6) The purchase price of employment agency services and help supply services shall be the service fee paid by the purchaser to the vendor or supplying entity. The term "service fee," as used in this subclause, means the total charge or fee of the vendor or supplying entity minus the costs of the supplied employee which costs are wages, salaries, bonuses and commissions, employment benefits, expense reimbursements and payroll and withholding taxes, to the extent that these costs are specifically itemized or that these costs in aggregate are stated in billings from the vendor or supplying entity. To the extent that these costs are not itemized or stated on the billings, then the service fee shall be the total charge or fee of the vendor or supplying entity.

(7) Unless the vendor separately states that portion of the billing which applies to premium cable service as defined in clause (ll), the total bill for the provision of all cable
services shall be the purchase price.

(8) The purchase price of prebuilt housing shall be 60% of the manufacturer's selling price, provided that a manufacturer of prebuilt housing who precollects tax from a prebuilt housing builder at the time of the sale to the prebuilt housing builder shall have the option to collect tax on 60% of the selling price or on 100% of the actual cost of the supplies and materials used in the manufacture of the prebuilt housing.

(9) Amounts representing on-the-spot cash discounts, employee discounts, volume discounts, store discounts such as "buy one, get one free," wholesaler's or trade discounts, rebates and store or manufacturer's coupons shall establish a new purchase price if both the item and the coupon are described on the invoice or cash register tape. An amount representing a discount allowed for prompt payment of bills which is dependent upon an event occurring after the completion of the sale may not be deducted in computing the tax. A sale is completed when there is a transfer of ownership of the property or services to the purchaser.

(h) "Purchaser." Any person who acquires, for a consideration, the ownership, custody or possession by sale, lease or otherwise of tangible personal property, or who obtains services in exchange for a purchase price but not including an employer who obtains services from his employees in exchange for wages or salaries when such services are rendered in the ordinary scope of their employment.

(i) "Resale."

(1) Any transfer of ownership, custody or possession of tangible personal property for a consideration, including the
grant of a license to use or consume and transactions where
the possession of the property is transferred but where the
transferor retains title only as security for payment of the
selling price whether the transaction is designated as
bailment lease, conditional sale or otherwise.

(2) The physical incorporation of tangible personal
property as an ingredient or constituent into other tangible
personal property, which is to be sold in the regular course
of business or the performance of those services described in
subclauses (2), (3) and (4) of clause (k) upon tangible
personal property which is to be sold in the regular course
of business or where the person incorporating the property
has undertaken at the time of purchase to cause it to be
transported in interstate commerce to a destination outside
this Commonwealth. The term includes telecommunications
services purchased by a cable operator or video programmer
that are used to transport or deliver cable or video
programming services which are sold in the regular course of
business.

(3) The term also includes tangible personal property
purchased or having a situs within this Commonwealth solely
for the purpose of being processed, fabricated or
manufactured into, attached to or incorporated into tangible
personal property and thereafter transported outside this
Commonwealth for use exclusively outside this Commonwealth.

(4) The term does not include any sale of malt or brewed
beverages by a retail dispenser, or any sale of liquor or
malt or brewed beverages by a person holding a retail liquor
license within the meaning of the act of April 12, 1951
(P.L.90, No.21), known as the Liquor Code.
(5) The physical incorporation of tangible personal property as an ingredient or constituent in the construction of foundations for machinery or equipment the sale or use of which is excluded from tax under the provisions of paragraphs (A), (B), (C) and (D) of subclause (8) of clause (k) and subparagraphs (i), (ii), (iii) and (iv) of paragraph (B) of subclause (4) of clause (o), whether the foundations at the time of construction or transfer constitute tangible personal property or real estate.

(6) The sale at retail or use of services performed for resale in the ordinary course of business of the purchaser or user of such services.

(7) The sale at retail or use of services that are otherwise taxable that are an integral, inseparable part of the services that are to be sold or used that are taxable.

(j) "Resident."

(1) Any natural person:
   (i) who is domiciled in this Commonwealth; or
   (ii) who maintains a permanent place of abode within this Commonwealth and spends in the aggregate more than 60 days of the year within this Commonwealth.

(2) Any corporation:
   (i) incorporated under the laws of this Commonwealth;
   (ii) authorized to do business or doing business within this Commonwealth; or
   (iii) maintaining a place of business within this Commonwealth.

(3) Any association, fiduciary, partnership or other entity:
(i) domiciled in this Commonwealth;
(ii) authorized to do business or doing business
within this Commonwealth; or
(iii) maintaining a place of business within this
Commonwealth.
(k) "Sale at retail."
(1) Any transfer, for a consideration, of the ownership,
custody or possession of tangible personal property,
including the grant of a license to use or consume whether
the transfer is absolute or conditional and by any means the
transfer is effected.
(2) The rendition of the service of printing or
imprinting of tangible personal property for a consideration
for persons who furnish, either directly or indirectly, the
materials used in the printing or imprinting.
(3) The rendition for a consideration of the service of:
(i) washing, cleaning, waxing, polishing or
lubricating of motor vehicles of another, regardless of
whether any tangible personal property is transferred in
conjunction with the activity; and
(ii) inspecting motor vehicles pursuant to the
mandatory requirements of 75 Pa.C.S. (relating to
vehicles).
(4) The rendition for a consideration of the service of
repairing, altering, mending, pressing, fitting, dyeing,
laundering, drycleaning or cleaning tangible personal
property other than wearing apparel or shoes, or applying or
installing tangible personal property as a repair or
replacement part of other tangible personal property other
than wearing apparel or shoes for a consideration, regardless
of whether the services are performed directly or by any
means other than by coin-operated self-service laundry
equipment for wearing apparel or household goods and whether
or not any tangible personal property is transferred in
conjunction with the activity, except such services as are
rendered in the construction, reconstruction, remodeling,
repair or maintenance of real estate.

(5) (Reserved).

(6) (Reserved).

(7) (Reserved).

(8) Any retention of possession, custody or a license to
use or consume tangible personal property or any further
obtaining of services described in subclauses (2), (3) and
(4) of this clause pursuant to a rental or service contract
or other arrangement (other than as security). The term does
not include:

(i) any transfer of tangible personal property or
rendition of services for the purpose of resale; or

(ii) the rendition of services or the transfer of
tangible personal property, including, but not limited
to, machinery and equipment and their parts and supplies
to be used or consumed by the purchaser directly in the
operations of:

(A) The manufacture of tangible personal
property.

(B) Farming, dairying, agriculture, horticulture
or floriculture when engaged in as a business
enterprise. The term "farming" includes the
propagation and raising of ranch raised fur-bearing
animals and the propagation of game birds for
commercial purposes by holders of propagation permits issued under 34 Pa.C.S. (relating to game) and the propagation and raising of horses to be used exclusively for commercial racing activities.

(C) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or maintaining the facilities which are directly used in producing, delivering or rendering the service.

(D) Processing as defined in clause (d). The exclusions provided in this paragraph or paragraph (A), (B) or (C) do not apply to any vehicle required registered under 75 Pa.C.S. (relating to vehicles), except those vehicles used directly by a public utility engaged in business as a common carrier; to maintenance facilities; or to materials, supplies or equipment to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations that may be affixed to such real estate. The exclusions provided in this paragraph or paragraph (A), (B) or (C) do not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in this paragraph or paragraph (A), (B) or (C).

The exclusion provided in paragraph (C) does not apply to:
(i) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by the purchaser in the production, delivering or rendition of public utility service;

(ii) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain a building, road or similar structure; or

(iii) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusions provided in paragraphs (A), (B), (C) and (D) do not apply to the services enumerated in clauses (k)(11) through (18) and (w) through (kk), except that the exclusion provided in this subclause for farming, dairying and agriculture shall apply to the service enumerated in clause (z).

(9) Where tangible personal property or services are utilized for purposes constituting a sale at retail and for purposes excluded from the definition of "sale at retail," it shall be presumed that the tangible personal property or services are utilized for purposes constituting a sale at retail and subject to tax unless the user proves to the department that the predominant purposes for which such tangible personal property or services are utilized do not constitute a sale at retail.

(10) The term, with respect to liquor and malt or brewed beverages, includes the sale of liquor by any Pennsylvania liquor store to any person for any purpose, and the sale of
malt or brewed beverages by a manufacturer of malt or brewed
beverages, distributor or importing distributor to any person
for any purpose, except sales by a manufacturer of malt or
brewed beverages to a distributor or importing distributor or
sales by an importing distributor to a distributor within the
meaning of the act of April 12, 1951 (P.L.90, No.21), known
as the Liquor Code. The term does not include any sale of
malt or brewed beverages by a retail dispenser or any sale of
liquor or malt or brewed beverages by a person holding a
retail liquor license within the meaning of and pursuant to
the provisions of the Liquor Code, but shall include any sale
of liquor or malt or brewed beverages other than pursuant to
the provisions of the Liquor Code.

(11) The rendition for a consideration of lobbying
services.

(12) The rendition for a consideration of adjustment
services, collection services or credit reporting services.

(13) The rendition for a consideration of secretarial or
editing services.

(14) The rendition for a consideration of disinfecting
or pest control services, building maintenance or cleaning
services.

(15) The rendition for a consideration of employment
agency services or help supply services.

(16) (Reserved).

(17) The rendition for a consideration of lawn care
service.

(18) The rendition for a consideration of self-storage
service.

(19) The rendition for a consideration of a mobile
telecommunications service.

(20) Except as otherwise provided under section 704, the rendition for a consideration of any service enumerated in clause (dd) when the primary objective of the purchaser is the receipt of any benefit of the service performed, as distinguished from the receipt of property.

(1) "Storage." Any keeping or retention of tangible personal property within this Commonwealth for any purpose including the interim keeping, retaining or exercising any right or power over such tangible personal property. This term is in no way limited to the provision of self-storage service.

(m) "Tangible personal property." Corporeal personal property including, but not limited to, goods, wares, merchandise, steam and natural and manufactured and bottled gas for non-residential use, electricity for non-residential use, prepaid telecommunications, cable or video programming service, spirituous or vinous liquor and malt or brewed beverages and soft drinks, interstate telecommunications service originating or terminating in this Commonwealth and charged to a service address in this Commonwealth, intrastate telecommunications service with the exception of:

(1) Subscriber line charges and basic local telephone service for residential use.

(2) Charges for telephone calls paid for by inserting money into a telephone accepting direct deposits of money to operate, provided further, the service address of any intrastate telecommunications service is deemed to be within this Commonwealth or within a political subdivision, regardless of how or where billed or paid.

In the case of any interstate or intrastate telecommunications
service, any charge paid through a credit or payment mechanism which does not relate to a service address, such as a bank, travel, credit or debit card, but not including prepaid telecommunications, is deemed attributable to the address of origination of the telecommunications service.

(n) "Taxpayer." Any person required to pay or collect the tax imposed by this chapter.

(o) "Use."

(1) The exercise of any right or power incidental to the ownership, custody or possession of tangible personal property and includes, but is not limited to, transportation, storage or consumption.

(2) The obtaining by a purchaser of the service of printing or imprinting of tangible personal property when the purchaser furnishes, either directly or indirectly, the articles used in the printing or imprinting.

(3) The obtaining by a purchaser of the services of:

(i) washing, cleaning, waxing, polishing or lubricating of motor vehicles regardless of whether any tangible personal property is transferred to the purchaser in conjunction with the services; and

(ii) inspecting motor vehicles pursuant to the mandatory requirements of 75 Pa.C.S. (relating to vehicles).

(4) The obtaining by a purchaser of the service of repairing, altering, mending, pressing, fitting, dyeing, laundering, drycleaning or cleaning tangible personal property other than wearing apparel or shoes or applying or installing tangible personal property as a repair or replacement part of other tangible personal property,
including, but not limited to, wearing apparel or shoes, regardless of whether the services are performed directly or by any means other than by means of coin-operated self-service laundry equipment for wearing apparel or household goods, and regardless of whether any tangible personal property is transferred to the purchaser in conjunction with the activity, therewith, except such services are obtained in the construction, reconstruction, remodeling, repair or maintenance of real estate. The term "use" does not include:

(A) Any tangible personal property acquired and kept, retained or over which power is exercised within this Commonwealth on which the taxing of the storage, use or other consumption thereof is expressly prohibited by the Constitution of the United States or which is excluded from tax under other provisions of this chapter.

(B) The use or consumption of tangible personal property, including, but not limited to, machinery and equipment and parts therefor, and supplies or the obtaining of the services described in subclauses (2), (3) and (4) of this clause directly in the operations of:

(i) The manufacture of tangible personal property.

(ii) Farming, dairying, agriculture, horticulture or floriculture when engaged in as a business enterprise. The term includes the propagation and raising of ranch-raised furbearing animals and the propagation of game birds for commercial purposes by holders of propagation permits issued under 34 Pa.C.S. (relating to game) and the propagation and raising of horses to be used
exclusively for commercial racing activities.

(iii) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or maintaining the facilities which are directly used in producing, delivering or rendering such service.

(iv) Processing as defined in subclause (d).

The exclusions provided in subparagraphs (i), (ii) and (iii) and this subparagraph do not apply to any vehicle required to be registered under 75 Pa.C.S. (relating to vehicles) except those vehicles directly used by a public utility engaged in the business as a common carrier; to maintenance facilities; or to materials, supplies or equipment to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations therefor that may be affixed to such real estate. The exclusions provided in subparagraphs (i), (ii), (iii) and this subparagraph do not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in subparagraphs (i), (ii), (iii) and this subparagraph. The exclusion provided in subparagraph (iii) does not apply to:

(A) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by
the purchaser in the production, delivering or rendition of public utility service; or

(B) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusion provided in subparagraphs (i), (ii), (iii) and this subparagraph does not apply to the services enumerated in clauses (9) through (16) and (w) through (kk), except that the exclusion provided in subparagraph (ii) for farming, dairying and agriculture shall apply to the service enumerated in clause (z).

(5) Where tangible personal property or services are utilized for purposes constituting a use, and for purposes excluded from the definition of "use," it shall be presumed that the property or services are utilized for purposes constituting a sale at retail and subject to tax unless the user proves to the department that the predominant purposes for which the property or services are utilized do not constitute a sale at retail.

(6) The term, with respect to liquor and malt or brewed beverages, includes the purchase of liquor from any Pennsylvania Liquor Store by any person for any purpose and the purchase of malt or brewed beverages from a manufacturer of malt or brewed beverages, distributor or importing distributor by any person for any purpose, except purchases from a manufacturer of malt or brewed beverages by a distributor or importing distributor, or purchases from an importing distributor by a distributor within the meaning of the act of April 12, 1951 (P.L.90, No.21), known as the
Liquor Code. The term does not include any purchase of malt or brewed beverages from a retail dispenser or any purchase of liquor or malt or brewed beverages from a person holding a retail liquor license within the meaning of and pursuant to the provisions of the Liquor Code, but includes the exercise of any right or power incidental to the ownership, custody or possession of liquor or malt or brewed beverages obtained by the person exercising the right or power in any manner other than pursuant to the provisions of the Liquor Code.

(7) The use of tangible personal property purchased at retail on which the services described in subclauses (2), (3) and (4) of this clause have been performed shall be deemed to be a use of said services by the person using the property.

(8) (Reserved).

(9) The obtaining by the purchaser of lobbying services.

(10) The obtaining by the purchaser of adjustment services, collection services or credit reporting services.

(11) The obtaining by the purchaser of secretarial or editing services.

(12) The obtaining by the purchaser of disinfecting or pest control services, building maintenance or cleaning services.

(13) The obtaining by the purchaser of employment agency services or help supply services.

(14) (Reserved).

(15) The obtaining by the purchaser of lawn care service.

(16) The obtaining by the purchaser of self-storage service.

(17) The obtaining by a construction contractor of
tangible personal property or services provided to tangible personal property which will be used pursuant to a construction contract regardless of whether the tangible personal property or services are transferred.

(18) The obtaining of mobile telecommunications service by a customer.

(19) Except as otherwise provided under section 704, the obtaining by the purchaser of any service enumerated in clause (dd) when the primary objective of the purchaser is the receipt of any benefit of the service performed, as distinguished from the receipt of property.

(p) "Vendor." Any person maintaining a place of business in this Commonwealth, selling or leasing tangible personal property, or rendering services, the sale or use of which is subject to the tax imposed by this chapter but not including any employee who in the ordinary scope of employment renders services to his employer in exchange for wages and salaries.

(q) "NAICS." The 2012 North American Industry Classification System developed by the Federal Office of Management and Budget and published in the Federal Register, Vol. 76, No. 159, on August 17, 2011, or its successor revision.

(r) "Gratuity." Any amount paid or remitted for services performed in conjunction with any sale of food or beverages, or hotel or motel accommodations which amount is in excess of the charges and the tax for such food, beverages or accommodations regardless of the method of billing or payment.

(s) "Commercial aircraft operator." A person, excluding a scheduled airline who engages in any or all of the following: charter of aircraft, leasing of aircraft, aircraft sales, aircraft rental, flight instruction, air freight or any other...
flight activities for compensation.

(t) "Transient vendor."

(1) Any person who:

(i) brings into this Commonwealth, by automobile, truck or other means of transportation, or purchases in this Commonwealth tangible personal property the sale or use of which is subject to the tax imposed by this chapter or comes into this Commonwealth to perform services the sale or use of which is subject to the tax imposed by this chapter;

(ii) offers or intends to offer the tangible personal property or services for sale at retail within this Commonwealth; and

(iii) does not maintain an established office, distribution house, saleshouse, warehouse, service enterprise, residence from which business is conducted or other place of business within this Commonwealth.

(2) The term does not include a person who delivers tangible personal property within this Commonwealth pursuant to orders for the property which were solicited or placed by mail or other means.

(3) The term does not include a person who handcrafts items for sale at special events, including, but not limited to, fairs, carnivals, art and craft shows and other festivals and celebrations within this Commonwealth.

(u) "Promoter." A person who either, directly or indirectly, rents, leases or otherwise operates or grants permission to any person to use space at a show for the display for sale or for the sale of tangible personal property or services subject to tax under section 702.
"Show." An event, the primary purpose of which involves the display or exhibition of any tangible personal property or services for sale, including, but not limited to, a flea market, antique show, coin show, stamp show, comic book show, hobby show, automobile show, fair or any similar show, whether held regularly or of a temporary nature, at which more than one vendor displays for sale or sells tangible personal property or services subject to tax under section 702.

"Lobbying services." Providing the services of a lobbyist, as defined in the definition of "lobbyist" in 65 Pa.C.S. Ch. 13A (relating to lobbying disclosure).

"Adjustment services, collection services or credit reporting services." Providing collection or adjustments of accounts receivable or mercantile or consumer credit reporting, including, but not limited to, services of the type provided by adjustment bureaus or collection agencies, consumer or mercantile credit reporting bureaus, credit bureaus or agencies, credit clearinghouses or credit investigation services. The term does not include providing credit card service with collection by a central agency, providing debt counseling or adjustment services to individuals or billing or collection services provided by local exchange telephone companies.

"Secretarial or editing services." Providing services which include, but are not limited to, editing, letter writing, proofreading, resume writing, typing or word processing. The term does not include court reporting and stenographic services.

"Disinfecting or pest control services." Providing disinfecting, termite control, insect control, rodent control or other pest control services. The term includes, but is not limited to, deodorant servicing of rest rooms, washroom
sanitation service, rest room cleaning service, extermination 
service or fumigating service. As used in this clause, the term "fumigating service" does not include the fumigation of 
agricultural commodities or containers used for agricultural 
commodities. As used in this clause, the term "insect control" 
does not include the gypsy moth control spraying of trees which 
are harvested for commercial purposes.

(aa) "Building maintenance or cleaning services." Providing 
services which include, but are not limited to, janitorial, maid 
or housekeeping service, office or interior building cleaning or 
maintenance service, window cleaning service, floor waxing 
service, lighting maintenance service such as bulb replacement, 
cleaning, chimney cleaning service, acoustical tile cleaning 
service, venetian blind cleaning, cleaning and maintenance of 
telephone booths or cleaning and degreasing of service stations. 
The term does not include: repairs on buildings and other 
structures; the maintenance or repair of boilers, furnaces and 
residential air conditioning equipment or their parts; the 
painting, wallpapering or applying other like coverings to 
interior walls, ceilings or floors; or the exterior painting of 
buildings.

(bb) "Employment agency services." Providing employment 
services to a prospective employer or employee other than 
employment services provided by theatrical employment agencies 
and motion picture casting bureaus. The term includes, but is 
not limited to, services of the type provided by employment 
agencies, executive placing services and labor contractor 
employment agencies other than farm labor.

(cc) "Help supply services." Providing temporary or 
continuing help where the help supplied is on the payroll of the
supplying person or entity, but is under the supervision of the
individual or business to which help is furnished. The term
includes, but is not limited to, service of a type provided by
labor and manpower pools, employee leasing services, office help
supply services, temporary help services, usher services,
modeling services or fashion show model supply services. The
term does not include: providing farm labor services or human
health-related services, including nursing, home health care and
personal care. As used in this clause, "personal care" shall
include providing at least one of the following types of
assistance to persons with limited ability for self-care:

   (1) dressing, bathing or feeding;
   (2) supervising self-administered medication;
   (3) transferring a person to or from a bed or
       wheelchair; or
   (4) routine housekeeping chores when provided in
       conjunction with and supplied by the same provider of the
       assistance listed in subclause (1), (2) or (3).

(dd) "NAICS taxable services." Any service performed in
this Commonwealth as defined in the following subsectors and
industries of the revised 2012 NAICS developed by the Federal
Office of Management and Budget and published in the Federal
Register, Vol. 76, No. 159, on August 17, 2011, or its successor
revision:

   481, for intrastate transport of persons
   482, for intrastate transport of persons
   483, for intrastate transport of persons
   4851, for intrastate transport of persons
   4852, for intrastate transport of persons
   4853, for intrastate transport of persons
4855, for intrastate transport of persons
4859, for intrastate transport of persons
487
48841
5111
5112
5121
512131
512132
523930
541
5611
5612
5613
5614
5615
5619
5621
Nontuition and non-housing-related charges imposed by the following industries: 6112, 6113, 6114, 6115 and 6116
6216, 6219, 6231, 6232, 6233, 6239, 6241, 6242, 6243,
unless provided by a nonprofit organization
6244
7111, unless imposed by industry 611110 or a nonprofit corporation or nonprofit unincorporated association under the laws of this Commonwealth or the United States or any entity that is authorized to do business in this Commonwealth as a nonprofit corporation or unincorporated association under the laws of this Commonwealth, including a youth or athletic, volunteer fire, ambulance, religious, charitable, fraternal,
veterans or civic association or any separately chartered auxiliary of the foregoing and operated on a nonprofit basis 7112, unless imposed by industry 611110 or a nonprofit corporation or nonprofit unincorporated association under the laws of this Commonwealth or the United States or any entity that is authorized to do business in this Commonwealth as a nonprofit corporation or unincorporated association under the laws of this Commonwealth, including a youth or athletic, volunteer fire, ambulance, religious, charitable, fraternal, veterans or civic association or any separately chartered auxiliary of the foregoing and operated on a nonprofit basis 7113 7114 712 7131 7139 7212 7224 8121 8122 8123 8129 (ee) (Reserved). (ff) (Reserved). (gg) (Reserved). (hh) (Reserved). (ii) (Reserved). (jj) "Lawn care service." Providing services for lawn upkeep, including, but not limited to, fertilizing, lawn mowing, shrubbery trimming or other lawn treatment services.
"Self-storage service." Providing a building, a room in a building or a secured area within a building with separate access provided for each purchaser of self-storage service, primarily for the purpose of storing personal property. The term does not include service involving:

1. safe deposit boxes by financial institutions;
2. storage in refrigerator or freezer units;
3. storage in commercial warehouses;
4. facilities for goods distribution; and
5. lockers in airports, bus stations, museums and other public places.

"Cable or video programming service." Cable television services, video programming services, community antenna television services or any other distribution of television, video, audio or radio services which is transmitted with or without the use of wires to purchasers.

If a purchaser receives or agrees to receive cable or video programming service, then the following charges are included in the purchase price: charges for installation or repair of any cable or video programming service, upgrade to include additional premium cable or premium video programming service, downgrade to exclude all or some premium cable or premium video programming service, additional cable outlets in excess of 10 or any other charge or fee related to cable or video programming services. The term does not apply to: transmissions by public television, public radio services or official Federal, State or local government cable services; local origination programming which provides a variety of public service programs unique to the community, programming which provides coverage of public affairs issues which are presented without commentary or
analysis, including United States Congressional proceedings, or
programming which is substantially related to religious
subjects; or subscriber charges for access to a video dial tone
system or charges by a common carrier to a video programmer for
the transport of video programming.

   (mm)  (Reserved).

   (nn)  "Construction contract." A written or oral contract or
agreement for the construction, reconstruction, remodeling,
renovation or repair of real estate or a real estate structure.
The term shall not apply to services which are taxable under
clauses (k)(14) and (17) and (o)(12) and (15).

   (oo)  "Construction contractor." A person who performs an
activity pursuant to a construction contract, including a
subcontractor.

   (pp)  "Building machinery and equipment." Generation
equipment, storage equipment, conditioning equipment,
distribution equipment and termination equipment, limited to the
following:
   (1)  air conditioning limited to heating, cooling,
purification, humidification, dehumidification and
ventilation;
   (2)  electrical;
   (3)  plumbing;
   (4)  communications limited to voice, video, data, sound,
master clock and noise abatement;
   (5)  alarms limited to fire, security and detection;
   (6)  control system limited to energy management, traffic
and parking lot and building access;
   (7)  medical system limited to diagnosis and treatment
equipment, medical gas, nurse call and doctor paging;
laboratory system;
(9) cathodic protection system; or
(10) furniture, cabinetry and kitchen equipment.
The term includes boilers, chillers, air cleaners, humidifiers, fans, switchgear, pumps, telephones, speakers, horns, motion detectors, dampers, actuators, grills, registers, traffic signals, sensors, card access devices, guardrails, medial devices, floor troughs and grates and laundry equipment, together with integral coverings and enclosures, regardless of whether: the item constitutes a fixture or is otherwise affixed to the real estate; damage would be done to the item or its surroundings on removal; or the item is physically located within a real estate structure. The term does not include guardrail posts, pipes, fittings, pipe supports and hangers, valves, underground tanks, wire, conduit, receptacle and junction boxes, insulation, ductwork and coverings.
(qq) "Real estate structure." A structure or item purchased by a construction contractor pursuant to a construction contract with:
(1) a charitable organization, a volunteer firemen's organization, a nonprofit educational institution or a religious organization for religious purposes and which qualifies as an institution of purely public charity under the act of November 26, 1997 (P.L.508, No.55), known as the Institutions of Purely Public Charity Act;
(2) the United States; or
(3) the Commonwealth, its instrumentalities or political subdivisions.
The term includes building machinery and equipment; developed or undeveloped land; streets; roads; highways; parking lots;
stadiums and stadium seating; recreational courts; sidewalks; foundations; structural supports; walls; floors; ceilings; roofs; doors; canopies; millwork; elevators; windows and external window coverings; outdoor advertising boards or signs; airport runways; bridges; dams; dikes; traffic control devices, including traffic signs; satellite dishes; antennas; guardrail posts; pipes; fittings; pipe supports and hangers; valves; underground tanks; wire; conduit; receptacle and junction boxes; insulation; ductwork and coverings; and any structure or item similar to any of the foregoing, regardless of whether the structure or item constitutes a fixture or is affixed to the real estate; or damage would be done to the structure or item or its surroundings on removal.

(rr) "Telecommunications service." Any one-way transmission or any two-way, interactive transmission of sounds, signals or other intelligence converted to like form which effects or is intended to effect meaningful communications by electronic or electromagnetic means via wire, cable, satellite, light waves, microwaves, radio waves or other transmission media. The term includes all types of telecommunication transmissions, local, toll, wide-area or any other type of telephone service; private line service; telegraph service; radio repeater service; wireless communication service; personal communications system service; cellular telecommunication service; specialized mobile radio service; stationary two-way radio service; and paging service. The term does not include any of the following:

(1) Subscriber charges for access to a video dial tone system.

(2) Charges to video programmers for the transport of video programming.
(3) Charges for access to the Internet. Access to the Internet does not include any of the following:
   (i) The transport over the Internet or any proprietary network using the Internet protocol of telephone calls, facsimile transmissions or other telecommunications traffic to or from end users on the public switched telephone network if the signal sent from or received by an end user is not in an Internet protocol.
   (ii) Telecommunication services purchased by an Internet service provider to deliver access to the Internet to its customers.
(4) Mobile telecommunications services.

(ss) "Internet." The international nonproprietary computer network of both Federal and non-Federal interoperable packet switched data networks.

(tt) "Commercial racing activities." Any of the following:
   (1) Thoroughbred and harness racing at which pari-mutuel wagering is conducted under 3 Pa.C.S. Ch. 93 (relating to race horse industry reform).
   (2) Fair racing sanctioned by the State Harness Racing Commission.

(uu) "Prepaid telecommunications." A tangible item containing a prepaid authorization number that can be used solely to obtain telecommunications service, including any renewal or increases in the prepaid amount.

(vv) "Prebuilt housing." Either of the following:
   (1) Manufactured housing, including mobile homes, which bears a label as required by and referred to in the act of November 17, 1982 (P.L.676, No.192), known as the

(2) Industrialized housing as defined in the act of May 11, 1972 (P.L.286, No.70), known as the Industrialized Housing Act.

(ww) "Used prebuilt housing." Prebuilt housing that was previously subject to a sale to a prebuilt housing purchaser.

(xx) "Prebuilt housing builder." A person who makes a prebuilt housing sale to a prebuilt housing purchaser.

(yy) "Prebuilt housing sale." A sale of prebuilt housing to a prebuilt housing purchaser, including a sale to a landlord, without regard to whether the person making the sale is responsible for installing the prebuilt housing or whether the prebuilt housing becomes a real estate structure upon installation. Temporary installation by a prebuilt housing builder for display purposes of a unit held for resale shall not be considered occupancy for residential purposes.

(zz) "Prebuilt housing purchaser." A person who purchases prebuilt housing in a transaction and who intends to occupy the unit for residential purposes in this Commonwealth.

(aaa) "Mobile telecommunications service." Mobile telecommunications service as that term is defined in the Mobile Telecommunications Sourcing Act (Public Law 106-252, 4 U.S.C. § 116 et seq.).

(bbb) "Fiscal Code." The act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

(ccc) "Prepaid mobile telecommunications service." Mobile telecommunications service which is paid for in advance and which enables the origination of calls using an access number, authorization code or both, regardless of whether manually or
electronically dialed, if the remaining amount of units of the
prepaid mobile telecommunications service is known by the
service provider of the prepaid mobile telecommunications
service on a continuous basis. The term does not include the
advance purchase of mobile telecommunications service if the
purchase is pursuant to a service contract between the service
provider and customer and if the service contract requires the
customer to make periodic payments to maintain the mobile
telecommunications service.

(ddd) (Reserved).

(eee) "Dental services." The general and usual services
rendered and care administered by doctors of dental medicine or
doctors of dental surgery, as defined in the act of May 1, 1933
(P.L.216, No.76), known as The Dental Law.

(fff) "Physician services." The general and usual services
rendered and care administered by medical doctors, as defined in
the act of December 20, 1985 (P.L.457, No.112), known as the
Medical Practice Act of 1985, or doctors of osteopathy, as
defined in the act of October 5, 1978 (P.L.1109, No.261), known
as the Osteopathic Medical Practice Act.

(ggg) "Clothing." All vesture, wearing apparel, raiments,
garments, footwear and other articles of clothing, including
clothing patterns and items that are to be a component part of
clothing, worn or carried on or about the human body including,
but not limited to, all accessories, ornamental wear, formal day
or evening apparel and articles made of fur on the hide or pelt
or any material imitative of fur and articles of which such fur,
real, imitation or synthetic, is the component material of chief
value, but only if such value is more than three times the value
of the next most valuable component material, and sporting goods
and clothing not normally used or worn when not engaged in
sports.

(hhh) "Food and beverages." All food and beverages for
human consumption.

SUBCHAPTER B

SALES AND USE TAX

Section 702. Imposition of tax.

(a) Tax on certain sales at retail and uses of tangible
personal property and services.--

(1) There is hereby imposed on each separate sale at
retail of tangible personal property or services in this
Commonwealth a tax of 7% of the purchase price, which tax
shall be collected by the vendor from the purchaser, and
shall be paid over to the Commonwealth as provided in this
chapter.

(2) There is hereby imposed on the use in this
Commonwealth of tangible personal property purchased at
retail and on those services purchased at retail a tax of 7%
of the purchase price, which tax shall be paid to the
Commonwealth by the person who makes such use as provided
under this chapter, except that the tax shall not be paid to
the Commonwealth by the person where the person has paid the
tax imposed by paragraph (1) or has paid the tax imposed by
this subsection to the vendor with respect to the use.

(b) General sourcing rules.--

(1) All sales of products shall be sourced according to
this subsection by sellers obligated to collect sales and use
tax under this chapter. The sourcing rules described in this
subsection apply to sales of tangible personal property,
digital goods and all services other than telecommunications
services. This subsection only applies to determine a
seller's obligation to pay or collect and remit a sales or
use tax with respect to the seller's sale of a product. This
subsection does not affect the obligation of a purchaser or
lessee to remit tax on the use of the product to the taxing
jurisdictions in which the use occurs. A seller's obligation
to collect sales tax or use tax under this chapter only
occurs if the sale is sourced to this State. Whether sales
tax to a sale source to the Commonwealth shall be determined
based on the location at which the sale is consummated by
delivery or, in the case of a service, where the first use of
the service occurs.

   (2) Sales, excluding leases or rental, of products shall
be sourced as follows:

   (i) When the product is received by the purchaser at
a business location of the seller, the sale is sourced to
that business location.

   (ii) When the product is not received by the
purchaser at a business location of the seller, the sale
is sourced to the location where receipt by the purchaser
or the purchaser's donee, designated such by the
purchaser, occurs, including the location indicated by
instructions for delivery to the purchaser or donee,
known to the seller.

   (iii) When subparagraphs (i) and (ii) do not apply,
the sale is sourced to the location indicated by an
address for the purchaser that is available from the
business records of the seller that are maintained in the
ordinary course of the seller's business when use of this
address does not constitute bad faith.
(iv) When subparagraphs (i), (ii) and (iii) do not apply, the sale is sourced to the location indicated by an address for the purchaser obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use of this address does not constitute bad faith.

(v) When subparagraphs (i), (ii), (iii) and (iv) do not apply, including the circumstance where the seller is without sufficient information to apply the previous rules, when the location will be determined by the address from which tangible personal property was shipped, from which the digital good or the computer software delivered electronically was first available for transmission by the seller or from which the service was provided disregarding for these purposes any location that merely provided the digital transfer of the product sold.

(c) Telecommunications service.--

(1) Notwithstanding any other provisions of this chapter, the tax with respect to telecommunications service within the meaning of "tangible personal property" in section 701 shall be computed at the rate of 7% on the total amount charged to customers for the services, irrespective of whether such charge is based on a flat rate or on a message unit charge.

(2) A telecommunications service provider shall have no responsibility or liability to the Commonwealth for billing, collecting or remitting taxes that apply to services, products or other commerce sold over telecommunications lines.
by third-party vendors.

(3) To prevent actual multistate taxation of interstate telecommunications service, any taxpayer, on proof that the taxpayer has paid a similar tax to another state on the same interstate telecommunications service, shall be allowed a credit against the tax imposed by this section on the same interstate telecommunications service to the extent of the amount of the tax properly due and paid to the other state.

(4) With respect to interstate telecommunications services, only services for interstate telecommunications which originate or are terminated in this Commonwealth and which are billed and charged to a service address in this Commonwealth shall be presumed to have been performed completely in this Commonwealth and shall be subject to tax under this chapter.

(d) Coin-operated vending machines.--Notwithstanding any other provisions of this chapter, the sale or use of food and beverages dispensed by means of coin-operated vending machines shall be taxed at the rate of 7% of the receipts collected from any coin-operated vending machine which dispenses food and beverages.

(e) Prepaid telecommunications.--

(1) Notwithstanding any provisions of this chapter, the sale or use of prepaid telecommunications evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsection (a).

(2) The sale or use of prepaid telecommunications not evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsection (a) and shall be deemed to occur at the purchaser's billing address.
(3) (i) Notwithstanding paragraph (2), the sale or use of prepaid telecommunications service not evidenced by the transfer of tangible personal property shall be taxed at the rate of 7% of the receipts collected on each sale if the service provider elects to collect the tax imposed by this chapter on receipts of each sale.

(ii) The service provider shall notify the department of its election and shall collect the tax on receipts of each sale until the service provider notifies the department otherwise.

(e.1) Prepaid mobile telecommunications service.--

(1) Notwithstanding any other provision of this chapter, the sale or use of prepaid mobile telecommunications service evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsection (a).

(2) The sale or use of prepaid mobile telecommunications service not evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsection (a) and shall be deemed to occur at the purchaser's billing address or the location associated with the mobile telephone number or the point of sale, whichever is applicable.

(3) (i) Notwithstanding paragraph (2), the sale or use of prepaid mobile telecommunications service not evidenced by the transfer of tangible personal property shall be taxed at the rate of 7% of the receipts collected on each sale if the service provider elects to collect the tax imposed by this chapter on receipts of each sale.

(ii) The service provider shall notify the department of its election and shall collect the tax on
receipts of each sale until the service provider notifies
the department otherwise.

(f) Prebuilt housing.--
(1) Notwithstanding any other provision of this chapter,
tax with respect to sales of prebuilt housing shall be
imposed on the prebuilt housing builder at the time of the
prebuilt housing sale within this Commonwealth and shall be
paid and reported by the prebuilt housing builder to the
department in the time and manner provided in this chapter.

(2) A manufacturer of prebuilt housing may, at its
option, precollect the tax from the prebuilt housing builder
at the time of sale to the prebuilt housing builder.

(3) In any case where prebuilt housing is purchased and
the tax is not paid by the prebuilt housing builder or
precollected by the manufacturer, the prebuilt housing
purchaser shall remit tax directly to the department if the
prebuilt housing is used in this Commonwealth without regard
to whether the prebuilt housing becomes a real estate
structure.

(g) Home service providers.--
(1) Notwithstanding any other provisions of this chapter
and in accordance with the Mobile Telecommunications Sourcing
Act (Public Law 106-252, 4 U.S.C. § 116 et seq.), the sale or
use of mobile telecommunications services which are deemed to
be provided to a customer by a home service provider under 4
U.S.C. § 117 (relating to sourcing rules) shall be subject to
the tax of 7% of the purchase price, which tax shall be
collected by the home service provider from the customer, and
shall be paid over to the Commonwealth as provided in this
chapter if the customer's place of primary use is located
within this Commonwealth, regardless of where the mobile
telecommunications services originate, terminate or pass
through.

(2) For purposes of this subsection, words and phrases
used in this subsection shall have the same meanings given to
them in the Mobile Telecommunications Sourcing Act.

Section 703. Computation of tax.

(a) General rule.--The amount of tax imposed by section 702
shall be computed as follows:

(1) If the purchase price is 7¢ or less, no tax shall be
collected.

(2) If the purchase price is 8¢ or more but less than
22¢, 1¢ shall be collected.

(3) If the purchase price is 22¢ or more but less than
36¢, 2¢ shall be collected.

(4) If the purchase price is 36¢ or more but less than
50¢, 3¢ shall be collected.

(5) If the purchase price is 50¢ or more but less than
65¢, 4¢ shall be collected.

(6) If the purchase price is 65¢ or more but less than
79¢, 5¢ shall be collected.

(7) If the purchase price is 79¢ or more but less than
93¢, 6¢ shall be collected.

(8) If the purchase price is 93¢ or more but less than
$1.07, seven percent of each dollar of purchase price plus
the above tax bracket charges upon any fractional part of a
dollar in excess of even dollars shall be collected.

(b) Deposit into Education Stabilization Fund.--The tax
collected under section 702 shall be deposited into the
Education Stabilization Fund.
Section 704. Exclusions from tax.

The tax imposed by section 702 shall not be imposed upon any of the following:

(1) The sale at retail or use of tangible personal property (other than motor vehicles, trailers, semi-trailers, motor boats, aircraft or other similar tangible personal property required under either Federal law or laws of this Commonwealth to be registered or licensed) or services sold by or purchased from a person not a vendor in an isolated transaction or sold by or purchased from a person who is a vendor but is not a vendor with respect to the tangible personal property or services sold or purchased in such transaction, provided that inventory and stock in trade so sold or purchased shall not be excluded from the tax by the provisions of this subsection.

(2) The use of tangible personal property purchased by a nonresident person outside of, and brought into this Commonwealth for use therein for a period not to exceed seven days, or for any period of time when such nonresident is a tourist or vacationer and, in either case not consumed within the Commonwealth.

(3) (i) The use of tangible personal property purchased outside this Commonwealth for use outside this Commonwealth by a then nonresident natural person or a business entity not actually doing business within this Commonwealth, who later brings the tangible personal property into this Commonwealth in connection with the person's or entity's establishment of a permanent
business or residence in this Commonwealth, provided that
the property was purchased more than six months prior to
the date it was first brought into this Commonwealth or
prior to the establishment of the business or residence,
whichever first occurs.

(ii) This paragraph shall not apply to tangible
personal property temporarily brought into this
Commonwealth for the performance of contracts for the
construction, reconstruction, remodeling, repairing and
maintenance of real estate.

(4) (Reserved).

(5) The sale at retail or use of steam, natural and
manufactured and bottled gas, fuel oil or electricity when
purchased directly by the user solely for the user's own
residential use.

(6) (Reserved).

(7) (Reserved).

(8) (Reserved).

(9) (Reserved).

(10) (i) The sale at retail to or use by any charitable
organization, volunteer firefighters' organization or
nonprofit educational institution or a religious
organization for religious purposes of tangible personal
property or services other than pursuant to a
construction contract.

(ii) This paragraph shall not apply with respect to
any tangible personal property or services used in any
unrelated trade or business carried on by the
organization or institution or with respect to any
materials, supplies and equipment used and transferred to

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the organization or institution in the construction, reconstruction, remodeling, renovation, repairs and maintenance of any real estate structure, other than building machinery and equipment, except materials and supplies when purchased by the organization or institution for routine maintenance and repairs.

(11) The sale at retail, or use of gasoline and other motor fuels, the sales of which are otherwise subject to excise taxes under 75 Pa.C.S. Ch. 90 (relating to liquid fuels and fuels tax).

(12) (i) The sale at retail to, or use by the United States, this Commonwealth or its instrumentalities or political subdivisions, nonpublic schools, charter schools, cyber charter schools or vocational schools of tangible personal property or services.

(ii) This paragraph includes the sale at retail to a supervisor of a home education program of tangible personal property or services used exclusively for the home education program.

(iii) As used in this paragraph, the terms "nonpublic school," "charter school," "cyber charter school," "vocational school," "supervisor" and "home education program" shall have the meanings given to them in the Public School Code of 1949.

(13) The sale at retail, or use of wrapping paper, wrapping twine, bags, cartons, tape, rope, labels, nonreturnable containers and all other wrapping supplies, when such use is incidental to the delivery of any personal property, except that any charge for wrapping or packaging shall be subject to tax at the rate imposed by section 702.
(14) Sale at retail or use of vessels designed for commercial use of registered tonnage of 50 tons or more when produced by the builders thereof upon special order of the purchaser.

(15) Sale at retail of tangible personal property or services used or consumed in building, rebuilding, repairing and making additions to or replacements in and upon vessels designed for commercial use of registered tonnage of 50 tons or more upon special order of the purchaser, or when rebuilt, repaired or enlarged, or when replacements are made upon order of or for the account of the owner.

(16) The sale at retail or use of tangible personal property or services to be used or consumed for ship cleaning or maintenance or as fuel, supplies, ships' equipment, ships' stores or sea stores on vessels designed for commercial use of registered tonnage of 50 tons or more to be operated principally outside the limits of this Commonwealth.

(17) The sale at retail or use of prescription medicines, drugs or medical supplies, crutches and wheelchairs for the use of persons with disabilities and invalids, artificial limbs, artificial eyes and artificial hearing devices when designed to be worn on the person of the purchaser or user, false teeth and materials used by a dentist in dental treatment, eyeglasses when especially designed or prescribed by an ophthalmologist, oculist or optometrist for the personal use of the owner or purchaser and artificial braces and supports designed solely for the use of persons with disabilities or any other therapeutic, prosthetic or artificial device designed for the use of a particular individual to correct or alleviate a physical
incapacity, including, but not limited to, hospital beds, iron lungs and kidney machines.

(18) The sale at retail or use of coal.

(19) (Reserved).

(20) (Reserved).

(21) (Reserved).

(22) (Reserved).

(23) (Reserved).

(24) The sale at retail or use of motor vehicles, trailers and semitrailers, or bodies attached to the chassis thereof, sold to a nonresident of this Commonwealth to be used outside this Commonwealth and which are registered in a state other than this Commonwealth within 20 days after delivery to the vendee.

(25) The sale at retail or use of water.

(26) The sale at retail or use of clothing as defined in section 701(ggg) with a purchase price of less than $50.

(27) (Reserved).

(28) (Reserved).


(30) Meals and student fees imposed by educational institutions as described in NAICS industry 611110.

(31) (Reserved).

(32) (Reserved).

(33) (Reserved).

(34) (Reserved).
(35) (Reserved).

(36) The sale at retail or use of rail transportation equipment used in the movement of personalty.

(37) (Reserved).

(38) (Reserved).

(39) The sale at retail or use of fish feed purchased by or on behalf of sportsmen's clubs, fish cooperatives or nurseries approved by the Pennsylvania Fish Commission.

(40) The sale at retail of supplies and materials to tourist promotion agencies, which receive grants from the Commonwealth, for distribution to the public as promotional material or the use of such supplies and materials by said agencies for said purposes.

(41) (Reserved).

(42) The sale or use of brook trout (Salvelinus fontinalis), brown trout (Salmo trutta) or rainbow trout (Salmo gairdneri).

(43) The sale at retail or use of buses to be used exclusively for the transportation of children for school purposes.

(44) The sale at retail or use of firewood. For the purpose of this paragraph, firewood shall mean the product of trees when severed from the land and cut into proper lengths for burning and pellets made from pure wood sawdust if used for fuel for cooking, hot water production or to heat residential dwellings.

(45) (Reserved).

(46) The sale at retail or use of tangible personal property purchased in accordance with the Food Stamp Act of 1977, as amended (Public Law 95-113, 7 U.S.C. §§ 2011-2029).
(47) (Reserved).

(48) (Reserved).

(49) (i) The sale at retail or use of food and beverages by nonprofit associations which support sports programs.

(ii) The following words and phrases when used in this paragraph shall have the meanings given to them in this subparagraph unless the context clearly indicates otherwise:

"Nonprofit association." An entity which is organized as a nonprofit corporation or nonprofit unincorporated association under the laws of this Commonwealth or the United States or any entity which is authorized to do business in this Commonwealth as a nonprofit corporation or unincorporated association under the laws of this Commonwealth, including, but not limited to, youth or athletic associations, volunteer fire, ambulance, religious, charitable, fraternal, veterans, civic, or any separately chartered auxiliary of the foregoing, if organized and operated on a nonprofit basis.

"Sports program." Baseball, softball, football, basketball, soccer and any other competitive sport formally recognized as a sport by the United States Olympic Committee as specified by and under the jurisdiction of the Amateur Sports Act of 1978 (Public Law 95-606, 36 U.S.C. Ch. 2205), the Amateur Athletic Union or the National Collegiate Athletic Association. The term shall be limited to a program or that portion of a program that is organized for recreational purposes and
whose activities are substantially for such purposes and
which is primarily for participants who are 18 years of
age or younger or whose 19th birthday occurs during the
year of participation or the competitive season,
whichever is longer. There shall, however, be no age
limitation for programs operated for persons with
physical handicaps or persons with mental retardation.

"Support." The funds raised from sales are used to
pay the expenses of a sports program or the nonprofit
association sells the food and beverages at a location
where a sports program is being conducted under this
chapter or the Tax Reform Code of 1971.

(50) (Reserved).

(51) The sale at retail or use of interior office
building cleaning services but only as relates to the costs
of the supplied employee, which costs are wages, salaries,
bonuses and commissions, employment benefits, expense
reimbursements and payroll and withholding taxes, to the
extent that these costs are specifically itemized or that
these costs in aggregate are stated in billings from the
vendor or supplying entity.

(52) (Reserved).

(53) (Reserved).

(54) (Reserved).

(55) (Reserved).

(56) The sale at retail or use of tangible personal
property or services used, transferred or consumed in
installing or repairing equipment or devices designed to
assist persons in ascending or descending a stairway when:

(i) The equipment or devices are used by a person
who, by virtue of a physical disability, is unable to
ascend or descend stairs without the aid of such
equipment or device.

(ii) The equipment or device is installed or used in
the person's place of residence.

(iii) A physician has certified the physical
disability of the person in whose residence the equipment
or device is installed or used.

(57) The sale at retail to or use by a construction
contractor of building machinery and equipment and services
thereto that are:

(i) transferred pursuant to a construction contract
for any charitable organization, volunteer firemen's
organization, nonprofit educational institution or
religious organization for religious purposes, provided
that the building machinery and equipment and services
thereto are not used in any unrelated trade or business;
or

(ii) transferred to the United States or the
Commonwealth or its instrumentalities or political
subdivisions.

(58) (Reserved).

(59) The sale at retail or use of molds and related mold
equipment used directly and predominantly in the manufacture
of products, regardless of whether the person that holds
title to the equipment manufactures a product.

(60) (Reserved).

(61) (Reserved).

(62) The sale at retail or use of tangible personal
property or services which are directly used in farming,
dairying or agriculture when engaged in as a business enterprise, regardless of whether the sale is made to the person directly engaged in the business enterprise or to a person contracting with the person directly engaged in the business enterprise for the production of food.

(63) (Reserved).

(64) The sale at retail to or use by a construction contractor, employed by a public school district pursuant to a construction contract, of any materials and building supplies which, during construction or reconstruction, are made part of any public school building utilized for instructional classroom education within this Commonwealth, if the construction or reconstruction:

(i) is necessitated by a disaster emergency, as defined in 35 Pa.C.S. § 7102 (relating to definitions); and

(ii) takes place during the period when there is a declaration of disaster emergency under 35 Pa.C.S. § 7301(c) (relating to general authority of Governor).

(65) (Reserved).

(66) The sale at retail or use of copies of an official document sold by a government agency or a court. For the purposes of this paragraph, the following terms or phrases shall have the following meanings:

(i) "court" includes:

(A) an appellate court as defined in 42 Pa.C.S. § 102 (relating to definitions);

(B) A court of common pleas as defined in 42 Pa.C.S. § 102; or

(C) the minor judiciary as defined in 42 Pa.C.S.
§ 102;

(ii) "government agency" means an agency as defined in section 102 of the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law; and

(iii) "official document" means a record as defined in section 102 of the Right-to-Know Law. The term shall include notes of court testimony, deposition transcripts, driving records, accident reports, birth and death certificates, deeds, divorce decrees and other similar documents.

(67) The sale at retail or use of repair or replacement parts, including the installation of those parts, exclusively for use in helicopters and similar rotorcraft or in overhauling or rebuilding of helicopters and similar rotorcraft or helicopters and similar rotorcraft components.

(68) The sale at retail or use of helicopters and similar rotorcraft.

(69) The sale at retail or use of aircraft parts, services to aircraft and aircraft components. For purposes of this paragraph, the term "aircraft" shall include a fixed-wing aircraft, powered aircraft, tilt-rotor or tilt-wing aircraft, glider or unmanned aircraft.

(70) (Reserved).

(71) The sale at retail or use of tuition.

(72) But for the services as defined in section 701(w), (x), (y), (z), (aa), (bb), (cc), (jj) and (kk), the sale at retail or use of any of the following business, professional or technical services performed by a business and rendered to another business:

(i) Legal services as defined by NAICS industry
(ii) Architectural, engineering and related services as defined by NAICS industry 5413.
(iii) Accounting, auditing and bookkeeping services as defined by NAICS industry 5412.
(iv) Specialized design services as defined by NAICS industry 5414.
(v) Advertising, public relations and related services as defined by NAICS industry 5418.
(vi) Services to buildings and dwellings as defined by NAICS industry 5617.
(vii) Scientific, environmental and technical consulting services as defined by NAICS industry 5416.
(viii) Scientific research and development services as defined by NAICS industries 5417 and 5419.
(ix) Information services as defined by NAICS subsector 519.
(x) Administrative services as defined by NAICS industries 5611, 5612, 5613, 5614, 5615 and 5619.
(xi) Custom programming, design and data processing services as defined by NAICS industry 5415.
(xii) Parking lot and garage services as defined by NAICS industry 8129.

(73) The sale at retail or use of legal services relating to family law or criminal law.
(74) The sale at retail, or the use of motion picture film rented or licensed from a distributor for the purpose of commercial exhibition.
(75) The sale at retail or use of services performed by minors under 18 years of age and not on behalf of another
person.

  (76) The sale at retail or use of services provided by
employees to their employers in exchange for wages and
salaries when such services are rendered in the ordinary
course of employment.

  (77) The sale at retail or use of goods or services that
are part of a Medicare Part B transaction.

Section 705. Alternate imposition of tax.

  (a) General rule.--If any person actively and principally
engaged in the business of selling new or used motor vehicles,
trailers or semitrailers, and registered with the department in
the "dealer's class," acquires a motor vehicle, trailer or
semitrailer for the purpose of resale, and prior to such resale,
uses the motor vehicle, trailer or semitrailer for a taxable use
under this chapter or the Tax Reform Code of 1971, the person
may pay a tax equal to 7% of the fair rental value of the motor
vehicle, trailer or semitrailer during use.

  (b) Aircraft.--A commercial aircraft operator who acquires
an aircraft for the purpose of resale, or lease, or is entitled
to claim another valid exemption at the time of purchase, and
subsequent to the purchase, periodically uses the same aircraft
for a taxable use under this chapter or the Tax Reform Code of
1971, may elect to pay a tax equal to 7% of the fair rental
value of the aircraft during such use.

  (c) Applicability.--This section shall not apply to the use
of a vehicle as a wrecker, parts truck, delivery truck or
courtesy car.

Section 706. Credit against tax.

  (a) Tax paid to another state.--

  (1) A credit against the tax imposed by section 702
shall be granted with respect to tangible personal property or services purchased for use outside the Commonwealth equal to the tax paid to another state by reason of the imposition by such other state of a tax similar to the tax imposed by this chapter.

(2) No credit under paragraph (1) shall be granted unless the other state grants substantially similar tax relief by reason of the payment of tax under this chapter or under the Tax Reform Code of 1971.

(b) (Reserved).

SUBCHAPTER D
LICENSES
Section 708. Licenses.
(a) Duty to obtain license.—Every person maintaining a place of business in this Commonwealth, selling or leasing services or tangible personal property, the sale or use of which is subject to tax and who has not obtained a license from the department, shall, prior to the beginning of business, make application to the department, on a form prescribed by the department, for a license. If such person maintains more than one place of business in this Commonwealth, the license shall be issued for the principal place of business in this Commonwealth.

(b) Criteria for issuance of license.—

(1) The department shall, after the receipt of an application, issue the license applied for under subsection (a) if the applicant filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan. The license shall be nonassignable.
(2) All licenses in effect on the effective date of this section under former Article III of the Tax Reform Code of 1971 and all licenses issued or renewed on or after the effective date of this section shall be valid for a period of five years.

(b.1) Refusal of license.--

(1) If an applicant for a license or any person holding a license has not filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan, the department may refuse to issue, may suspend or may revoke said license.

(2) The department shall notify the applicant or licensee of any refusal, suspension or revocation. The notice shall contain a statement that the refusal, suspension or revocation may be made public. The notice shall be made by first class mail.

(3) An applicant or licensee aggrieved by the determination of the department may file an appeal pursuant to the provisions for administrative appeals in this chapter, except that the appeal must be filed within 30 days of the date of the notice. In the case of a suspension or revocation which is appealed, the license shall remain valid pending a final outcome of the appeals process.

(4) Notwithstanding section 774 or sections 353(f), 408(b), 603, 702, 802, 904 and 1102 of the Tax Reform Code of 1971, or any other provision of law to the contrary, if no appeal is taken or if an appeal is taken and denied at the conclusion of the appeal process, the department may disclose, by publication or otherwise, the identity of a
person and the fact that the person's license has been
refused, suspended or revoked under this subsection.
Disclosure may include the basis for refusal, suspension or
revocation.
(c) Penalties.--
(1) A person that maintains a place of business in this
Commonwealth for the purpose of selling or leasing services
or tangible personal property, the sale or use of which is
subject to tax, without having a valid license at the time of
the sale or lease shall be guilty of a summary offense and,
upon conviction thereof, be sentenced to pay a fine of not
less than $300 nor more than $1,500 and, in default thereof,
a term of imprisonment of not less than five days nor more
than 30 days.
(2) The penalties imposed by this subsection shall be in
addition to any other penalties imposed by this chapter.
(3) For purposes of this subsection, the offering for
sale or lease of any service or tangible personal property,
the sale or use of which is subject to tax, during any
calendar day shall constitute a separate violation.
(4) The secretary may designate employees of the
department to enforce the provisions of this subsection. The
employees shall exhibit proof of and be within the scope of
the designation when instituting proceedings as provided by
the Pennsylvania Rules of Criminal Procedure.
(d) Effect of failure to obtain license.--Failure of any
person to obtain a license shall not relieve that person of
liability to pay the tax imposed by this chapter.
Section 709. Definitions.

(a) General rule.--The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Hotel." A building or buildings in which the public may, for a consideration, obtain sleeping accommodations. The term does not include any charitable, educational or religious institution summer camp for children, hospital or nursing home.

"Occupancy." The use or possession or the right to the use or possession by any person, other than a permanent resident, of any room or rooms in a hotel for any purpose or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms.

"Occupant." A person, other than a permanent resident, who, for a consideration, uses, possesses or has a right to use or possess any room or rooms in a hotel under any lease, concession, permit, right of access, license or agreement.

"Operator." Any person who operates a hotel.

"Permanent resident." Any occupant who has occupied or has the right to occupancy of any room or rooms in a hotel for at least 30 consecutive days.

"Rent." The consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature, and also any amount for which the occupant is liable for the occupancy without any deduction. The term "rent" shall not include a gratuity.

(b) Other definitions.--The following words and phrases, when used in Subchapters D and F, shall, in addition to the
meaning ascribed to them by section 701, have the meaning
ascribed to them in this subsection, except where the context
clearly indicates a different meaning:
"Maintaining a place of business in this Commonwealth."
Being the operator of a hotel in this Commonwealth.
"Purchase at retail."  Occupancy.
"Purchase price."  Rent.
"Purchaser."  Occupant.
"Sale at retail."  The providing of occupancy to an occupant
by an operator.
"Services."  Occupancy.
"Tangible personal property."  Occupancy.
"Use."  Occupancy.
"Vendor."  Operator.
Section 710. Imposition of tax.
There is hereby imposed an excise tax of 7% of the rent on
every occupancy of a room or rooms in a hotel in this
Commonwealth, which tax shall be collected by the operator from
the occupant and paid over to the Commonwealth as provided in
this act.
Section 711. Seasonal tax returns.
Notwithstanding any other provisions in this chapter or the
Tax Reform Code of 1971, the department may, by regulation,
waive the requirement for the filing of quarterly returns in the
case of any operator whose hotel is operated only during certain
seasons of the year, and may provide for the filing of returns
by such persons at times other than those provided by section
721.

SUBCHAPTER F
PROCEDURE AND ADMINISTRATION
Section 715. Persons required to make returns.

Every person required to pay tax to the department or collect and remit tax to the department shall file returns with respect to the tax.

Section 716. Form of returns.

The returns required by section 715 shall be on forms prescribed by the department and shall show such information with respect to the taxes imposed by this chapter as the department may reasonably require.

Section 717. Time for filing returns.

(a) Quarterly and monthly returns.--

(1) For the year in which this chapter becomes effective, and in each year thereafter, a return shall be filed quarterly by every licensee on or before the 20th day of April, July, October and January for the three months ending the last day of March, June, September and December.

(2) For the year in which this chapter becomes effective, and in each year thereafter, a return shall be filed monthly with respect to each month by every licensee whose actual tax liability for the third calendar quarter of the preceding year equals or exceeds $600 and is less than $25,000. Such returns shall be filed on or before the 20th day of the next succeeding month with respect to which the return is made. Any licensee required to file monthly returns under this act shall be relieved from filing quarterly returns.

(3) With respect to every licensee whose actual tax liability for the third calendar quarter of the preceding year equals or exceeds $25,000 and is less than $100,000, the licensee shall, on or before the 20th day of each month, file
a single return consisting of all of the following:

(i) Either of the following:

(A) An amount equal to 50% of the licensee's actual tax liability for the same month in the preceding calendar year if the licensee was a monthly filer or, if the licensee was a quarterly or semiannual filer, 50% of the licensee's average actual tax liability for that tax period in the preceding calendar year. The average actual tax liability shall be the actual tax liability for the tax period divided by the number of months in that tax period. For licensees that were not in business during the same month in the preceding calendar year or were in business for only a portion of that month, the amount shall be 50% of the average actual tax liability for each tax period the licensee has been in business. If the licensee is filing a tax liability for the first time with no preceding tax periods, the amount shall be zero.

(B) An amount equal to or greater than 50% of the licensee's actual tax liability for the same month.

(ii) An amount equal to the taxes due for the preceding month, less any amounts paid in the preceding month as required by subparagraph (i).

(4) With respect to each month by every licensee whose actual tax liability for the third calendar quarter of the preceding year equals or exceeds $100,000, the licensee shall, on or before the 20th day of each month, file a single return consisting of the amounts under paragraph (3)(i)(A)
(5) The amount due under paragraph (3)(i) or (4) shall be due the same day as the remainder of the preceding month's tax.

(6) The department shall determine whether the amounts reported under paragraph (3) or (4) shall be remitted as one combined payment or as two separate payments.

(7) The department may require the filing of the returns and the payments for these types of filers by electronic means approved by the department.

(8) Any licensee filing returns under paragraph (3) or (4) shall be relieved of filing quarterly returns.

(9) If a licensee required to remit payments under paragraph (3) or (4) fails to make a timely payment or makes a payment which is less than the required amount, the department may, in addition to any applicable penalties, impose an additional penalty equal to 5% of the amount due under paragraph (3) or (4) which was not timely paid. The penalty under this paragraph shall be determined when the tax return is filed for the tax period.

(b) Annual returns.--No annual return shall be filed, except as may be required by rules and regulations of the department promulgated and published at least 60 days prior to the end of the year with respect to which the returns are made. Where such annual returns are required, licensees shall not be required to file such returns prior to the 20th day of the year succeeding the year with respect to which the returns are made.

(c) Other returns.--Any person, other than a licensee, liable to pay to the department any tax under this chapter, shall file a return on or before the 20th day of the month
succeeding the month in which the person becomes liable for the tax.

(d) Small taxpayers.--The department, by regulation, may waive the requirement for the filing of quarterly return in the case of any licensee whose individual tax collections do not exceed $75 per calendar quarter and may provide for reporting on a less frequent basis in such cases.

Section 718. Extension of time for filing returns.

The department may, on written application and for good cause shown, grant a reasonable extension of time for filing any return required under this subchapter. However, the time for making a return shall not be extended for more than three months.

Section 719. Place for filing returns.

Returns shall be filed with the department at its main office or at any branch office which it may designate for filing returns.

Section 720. Timely mailing treated as timely filing and payment.

(a) General rule.--Notwithstanding the provisions of any State tax law to the contrary, whenever a report or payment of all or any portion of a State tax is required by law to be received by the department or other agency of the Commonwealth on or before a day certain, the taxpayer shall be deemed to have complied with the law if the letter transmitting the report or payment of the tax which has been received by the department is postmarked by the United States Postal Service on or prior to the final day on which the payment is to be received.

(b) Presentation of receipt.--For the purposes of this chapter, presentation of a receipt indicating that the report or
payment was mailed by registered or certified mail on or before
the due date shall be evidence of timely filing and payment.

Section 721. Payment of tax.

When a return of tax is required under this subchapter, the
person required to make the return shall pay the tax to the
department.

Section 722. Time of payment.

(a) General rule.--The tax imposed by this chapter and
incurred or collected by a licensee shall be due and payable by
the licensee on the day the return is required to be filed under
the provisions of section 717 and the payment must accompany the
return for the preceding period.

(b) Annual payments.--If the amount of tax due for the
preceding year as shown by the annual return of a taxpayer is
greater than the amount already paid by the taxpayer in
connection with the taxpayer's monthly or quarterly returns, the
taxpayer shall send with the annual return a remittance for the
unpaid amount of tax for the year.

(c) Other payments.--Any person other than a licensee liable
to pay any tax under this chapter shall remit the tax at the
time of filing the return required by this chapter.

Section 723. Other times for payment.

In the event that the department authorizes a taxpayer to
file a return at other times than those specified in section
717, the tax due shall be paid at the time the return is filed.

Section 724. Place for payment.

The tax imposed by this chapter shall be paid to the
department at the place fixed for filing the return.

Section 725. Tax held in trust for Commonwealth.

(a) General rule.--All taxes collected by any person from
purchasers in accordance with this chapter and all taxes collected by any person from purchasers under color of this chapter which have not been properly refunded by the person to the purchaser shall constitute a trust fund for the Commonwealth, and such trust shall be enforceable against such person, the person's representatives and any person, other than a purchaser to whom a refund has been made properly, receiving any part of the fund without consideration, or knowing that the taxpayer is committing a breach of trust.

(b) Presumption.--Any person receiving payment of a lawful obligation of the taxpayer from the fund identified under subsection (a) shall be presumed to have received the same in good faith and without any knowledge of the breach of trust.

(c) Right to petition and appeal.--Any person, other than a taxpayer, against whom the department makes any claim under this section shall have the same right to petition and appeal as is given taxpayers by any provisions of this subchapter.

Section 726.  (Reserved).

Section 727.  Discount.

(a) General rule.--Subject to the provisions of subsection (b), if a return is filed by a licensee and the tax shown to be due thereon less any discount is paid all within the time prescribed, the licensee shall be entitled to credit and apply against the tax payable by the licensee a discount of 1% of the amount of the tax collected by the licensee, as compensation for the expense of collecting and remitting the tax due by the licensee and as consideration of the prompt payment.

(b) Types of periodic filers.--For returns filed on or after the effective date of this section, the discount under subsection (a) shall be limited to the following:
(1) For a monthly filer, $25 per return.
(2) For a quarterly filer, $75 per return.
(3) For a semiannual filer, $150 per return.

Section 728. (Reserved).
Section 729. (Reserved).
Section 730. Assessment.

The department shall make the inquiries, determinations and
assessments of the tax, including interest, additions and
penalties, imposed by this chapter. A notice of assessment and
demand for payment shall be mailed to the taxpayer. The notice
shall set forth the basis of the assessment.

Section 731. Mode and time of assessment.

(a) Duty to examine.--

(1) Within a reasonable time after any return is filed,
the department shall examine it and, if the return shows a
greater tax due or collected than the amount of tax remitted
with the return, the department shall issue an assessment for
the difference, together with an addition of 3% of the
difference, which shall be paid to the department within 10
days after a notice of the assessment has been mailed to the
taxpayer.

(2) If such assessment is not paid within 10 days, there
shall be added and paid to the department an additional 3% of
the difference for each month during which the assessment
remains unpaid. The total of all additions shall not exceed
18% of the difference shown on the assessment.

(b) Understated tax on returns.--

(1) If the department determines that any return or
returns of any taxpayer understates the amount of tax due, it
shall determine the proper amount and shall ascertain the
difference between the amount of tax shown in the return and
the amount determined. The difference may be referred to as
the deficiency.

(2) The department shall send a notice of assessment for
the deficiency and the reasons to the taxpayer.

(3) The taxpayer shall pay the deficiency to the
department within 30 days after a notice of the assessment
has been mailed to the taxpayer.

(c) Estimated assessments.--

(1) In the event that any taxpayer fails to file a
return required by this chapter, the department may make an
estimated assessment, based on information available, of the
proper amount of tax owed by the taxpayer and shall send a
notice of assessment in the estimated amount to the taxpayer.

(2) The taxpayer shall pay the tax within 30 days after
a notice of the estimated assessment has been mailed to the
taxpayer.

(d) Studies.--

(1) The department may conduct the studies necessary to
compute effective rates by business classification, based
upon the ratio between the tax required to be collected and
taxable sales and to use such rates in arriving at the
apparent tax liability of a taxpayer.

(2) Any assessment based on such rates shall be prima
facie correct, except that the rate shall not be considered
where a taxpayer establishes the rate is based on a sample
inapplicable to the taxpayer.

Section 732. Reassessment.

Any taxpayer against whom an assessment is made may petition
the department for a reassessment under Article XXVII of the Tax

Section 733. Assessment to recover erroneous refunds.

The department may, within two years of the granting of any refund or credit, or within the period in which an assessment could have been filed by the department with respect to the transaction pertaining to which the refund was granted, whichever period shall last occur, file an assessment to recover any refund or part thereof or credit or part thereof which was erroneously made or allowed.

Section 734. (Reserved).

Section 735. (Reserved).

Section 736. Burden of proof.

In all cases of petitions for reassessment, review or appeal, the burden of proof shall be on the petitioner or appellant, as applicable.

Section 737. Collection of tax.

(a) General rule.--The department shall collect the tax in the manner provided by law for the collection of taxes imposed by the laws of this Commonwealth.

(b) Collection by persons maintaining a place of business in the Commonwealth.--

(1) Every person maintaining a place of business in this Commonwealth and selling or leasing tangible personal property or services, the sale or use of which is subject to tax shall collect the tax from the purchaser or lessee at the time of making the sale or lease, and shall remit the tax to the department, unless the collection and remittance is otherwise provided for in this chapter.

(2) (i) Every person not otherwise required to collect tax that delivers tangible personal property to a
location within this Commonwealth and that unpacks, positions, places or assembles the tangible personal property shall collect the tax from the purchaser at the time of delivery and shall remit the tax to the department if the person delivering the tangible personal property is responsible for collecting any portion of the purchase price of the tangible personal property delivered and the purchaser has not provided the person with proof that the tax imposed by this chapter has been or will be collected by the seller or that the purchaser provided the seller with a valid exemption certificate.

(ii) Every person required to collect tax under this paragraph shall be deemed to be selling or leasing tangible personal property or services, the sale or use of which is subject to the tax imposed under section 702.

(3) Any person required under this chapter to collect tax from another person, who shall fail to collect the proper amount of the tax, shall be liable for the full amount of the tax which the person should have collected.

(c) Certificate for tax-exempt sales or leases.--

(1) If the tax does not apply to the sale or lease of tangible personal property or services, the purchaser or lessee shall furnish to the vendor a certificate indicating that the sale is not legally subject to the tax. The certificate shall be in substantially such form as the department may, by regulation, prescribe.

(2) Where the tangible personal property or service is of a type which is never subject to the tax imposed or where the sale or lease of tangible personal property is in interstate commerce, the certificate need not be furnished.
(3) Where a series of transactions are not subject to tax, a purchaser or user may furnish the vendor with a single exemption certificate in substantially such form and valid for such period of time as the department may, by regulation, prescribe.

(4) The department shall provide all school districts and intermediate units with a permanent tax exemption number.

(5) An exemption certificate, which is complete and regular and on its face discloses a valid basis of exemption if taken in good faith, shall relieve the vendor from the liability imposed by this section.

(6) An exemption certificate:

   (i) accepted by a vendor from a natural person domiciled within this Commonwealth or any association, fiduciary, partnership, corporation or other entity, either authorized to do business within this Commonwealth or having an established place of business within this Commonwealth, in the ordinary course of the vendor's business;

   (ii) which on its face discloses a valid basis of exemption consistent with the activity of the purchaser and character of the property or service being purchased or which is provided to the vendor by a charitable, religious, educational or volunteer firefighters' organization;

   (iii) contains the organization's charitable exemption number; and

   (iv) which, in the case of any purchase costing $200 or more, is accompanied by a sworn declaration on a form to be provided by the department of an intended usage of
the property or service which would render it nontaxable, shall be presumed to be taken in good faith and the burden of proving otherwise shall be on the department.

(d) Direct payment permits.--

(1) The department may authorize a purchaser or lessee who acquires tangible personal property or services under circumstances which make it impossible at the time of acquisition to determine the manner in which the tangible personal property or service will be used, to pay the tax directly to the department, and waive the collection of the tax by the vendor.

(2) No such authority shall be granted or exercised, except on application to the department, and the issuance by the department, in its discretion, of a direct payment permit.

(3) If a direct payment permit is granted, its use shall be subject to conditions specified by the department, and the payment of tax on all acquisitions pursuant to the permit shall be made directly to the department by the permit holder.

Section 738. Collection of tax on motor vehicles, trailers and semitrailers.

(a) General rule.--Notwithstanding the provisions of section 737(b)(1), tax due on the sale at retail or use of a motor vehicle, trailer or semitrailer, except mobile homes as defined in 75 Pa.C.S. (relating to vehicles), required by law to be registered with the department under the provisions of 75 Pa.C.S. shall be paid by the purchaser or user directly to the department on application to the department for an issuance of a certificate of title on the motor vehicle, trailer or
semitrailer.

(b) No issuance of certificate of title without payment of tax.--

(1) The department shall not issue a certificate of title until the tax has been paid, or evidence satisfactory to the department has been given to establish that tax is not due.

(2) The department may cancel or suspend any record of certificate of title or registration of a motor vehicle, trailer or semitrailer when the check received in payment of the tax on the vehicle is not paid on demand.

(c) First encumbrance.--The tax shall be considered as a first encumbrance against the vehicle and the vehicle may not be transferred without first payment in full of the tax and any interest additions or penalties which shall accrue in accordance with this chapter.

Section 739. Precollection of tax.

(a) Authorization.--

(1) Except as otherwise provided under paragraph (2), the department may, by regulation, authorize or require particular categories of vendors selling tangible personal property for resale to precollect from the purchaser the tax which the purchaser will collect on making a sale at retail of the tangible personal property.

(2) The department, pursuant to this section, may not require a vendor to precollect tax from a purchaser who purchases for resale more than $1,000 worth of tangible personal property from the vendor per year.

(b) No license required.--In any case in which a vendor has been authorized to prepay the tax to the person from whom the
vendor purchased the tangible personal property for resale, the
vendor authorized to prepay the tax may, under the regulations
of the department, be relieved from the duty to secure a license
if the duty arises only by reason of the vendor's sale of the
tangible personal property with respect to which the vendor is,
under authorization of the department, to prepay the tax.

(c) Reimbursement.--

(1) The vendor, on making a sale at retail of tangible
personal property with respect to which the vendor has
prepaid the tax, must separately state at the time of resale
the proper amount of tax on the transaction, and reimburse
itself on account of the taxes which the vendor has
previously prepaid.

(2) If the vendor collects a greater amount of tax in
any reporting period than the vendor previously prepaid on
purchase of the goods with respect to which the vendor
prepaid the tax, the vendor must file a return and remit the
balance to the Commonwealth at the time at which a return
would otherwise be due with respect to the sales.

Section 740. Bulk and auction sales.

A person who sells or causes to be sold at auction, or who
sells or transfers in bulk, 51% or more of any stock, of goods,
wares or merchandise of any kind, fixtures, machinery,
equipment, buildings or real estate, involved in a business for
which the person is licensed or required to be licensed under
this chapter, or is liable for filing use tax returns in
accordance with this chapter, shall be subject to the provisions
of section 1403 of the Fiscal Code.

Section 741. (Reserved).

Section 742. Lien for taxes.
(a) Nature and effect of lien.--

(1) If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount, including any interest, addition or penalty, together with any costs that may accrue in addition, shall be a lien in favor of the Commonwealth on the property, both real and personal, of the person but only after same has been entered and docketed of record by the prothonotary of the county where the property is situated.

(2) The department may, at any time, transmit to the prothonotaries of the respective counties certified copies of all liens for taxes imposed by this chapter or the Tax Reform Code of 1971 and penalties and interest.

(3) Each prothonotary receiving the lien shall enter and docket the lien of record in the prothonotary's office, which lien shall be indexed as judgments are now indexed.

(4) No prothonotary shall require, as a condition precedent to the entry of the liens, the payment of the costs incident thereto.

(b) Priority status.--

(1) The lien imposed under this section shall have priority from the date of its recording, and shall be fully paid and satisfied out of the proceeds of any judicial sale of property before any other obligation, judgment, claim, lien or estate to which the property may subsequently become subject, except costs of the sale and of the writ on which the sale was made, and real estate taxes and municipal claims against such property, but shall be subordinate to mortgages and other liens existing and duly recorded or entered of record prior to the recording of the tax lien.
(2) In the case of a judicial sale of property, subject to a lien imposed under this section, on a lien or claim over which the lien imposed under this section has priority, the sale shall discharge the lien imposed under this section to the extent only that the proceeds are applied to its payment, and the lien shall continue in full force and effect as to the balance remaining unpaid.

(3) There shall be no inquisition or condemnation upon any judicial sale of real estate made by the Commonwealth pursuant to the provisions of this section.

(4) (i) The lien of the taxes, interest and penalties, shall continue for five years from the date of entry, and may be revived and continued in the manner now or hereafter provided for renewal of judgments, or as may be provided in the Fiscal Code, and a writ of execution may directly issue upon the lien without the issuance and prosecution to judgment of a writ of scire facias.

(ii) Not less than 10 days before issuance of any execution on the lien, notice of the filing and the effect of the lien shall be sent by registered mail to the taxpayer at the taxpayer's last known post office address.

(iii) The lien shall have no effect on any stock of goods, wares or merchandise regularly sold or leased in the ordinary course of business by the person against whom the lien has been entered, unless and until a writ of execution has been issued and a levy made on the stock of goods, wares and merchandise.

(c) Penalty.--Any willful failure of any prothonotary to carry out any duty imposed on the prothonotary under this
section shall be a misdemeanor, and, upon conviction, the prothonotary shall be sentenced to pay a fine not more than $1,000 and costs of prosecution or to a term of imprisonment not exceeding one year, or both.

(d) Priority payment from distribution.--

(1) Except as otherwise provided under the law, in the distribution, voluntary or compulsory, in receivership, bankruptcy or otherwise, of the property or estate of any person, all taxes imposed by this chapter which are due and unpaid and are not collectible under section 725 shall be paid from the first money available for distribution in priority to all other claims and liens, except insofar as the laws of the United States may give a prior claim to the Federal Government.

(2) Any person charged with the administration or distribution of the property or estate, who violates the provisions of this section, shall be personally liable for any taxes imposed by this chapter, which are accrued and unpaid and are chargeable against the person whose property or estate is being administered or distributed.

(e) Construction.--Subject to the limitations contained in this chapter as to the assessment of taxes, nothing contained in this section shall be construed to restrict, prohibit or limit the use by the department in collecting taxes finally due and payable of any other remedy or procedure available at law or equity for the collection of debts.

Section 743. Suit for taxes.

(a) General rule.--At any time within three years after any tax or any amount of tax shall be finally due and payable, the department may commence an action in the courts of this
Commonwealth, of any state or of the United States, in the name of the Commonwealth, to collect the amount of tax due together with additions, interest, penalties and costs in the manner provided at law or in equity for the collection of ordinary debts.

(b) Prosecution by Attorney General.--The Attorney General shall prosecute the action and, except as provided in this chapter, the provisions of the Rules of Civil Procedure and the provisions of the laws of this Commonwealth relating to civil procedures and remedies shall, to the extent that they are applicable, be available in such proceedings.

(c) Construction.--The provisions of this section are in addition to any process, remedy or procedure for the collection of taxes provided by this chapter or by the laws of this Commonwealth, and this section is neither limited by nor intended to limit any such process, remedy or procedure.

Section 744. Tax suit comity.

The courts of this Commonwealth shall recognize and enforce liabilities for sales and use taxes, lawfully imposed by any other state if the other state extends a like comity to this Commonwealth.

Section 745. Service.

(a) General rule.--Any person who maintains a place of business in this Commonwealth is deemed to have appointed the Secretary of the Commonwealth as the person's agent for the acceptance of service of process or notice in any proceedings for the enforcement of the civil provisions of this chapter, and any service made upon the Secretary of the Commonwealth as agent shall be of the same legal force and validity as if the service had been personally made on the person.
(b) Substitute service.--Where service cannot be made on the person in the manner provided by other laws of this Commonwealth relating to service of process, service may be made on the Secretary of the Commonwealth and, in such case, a copy of the process or notice shall also be personally served on any agent or representative of the person who may be found within this Commonwealth, or where no such agent or representative may be found a copy of the process or notice shall be sent by registered mail to the person at the last known address of the person's principal place of business, home office or residence.

Section 746. Collection and payment of tax on credit sales.

If any sale subject to tax under this chapter is wholly or partly on credit, the vendor shall require the purchaser to pay in cash at the time the sale is made, or within 30 days thereafter, the total amount of tax due upon the entire purchase price. The vendor shall remit the tax to the department, regardless of whether payment was made by the purchaser to the vendor, with the next return required to be filed under section 717.

Section 747. Prepayment of tax.

(a) General rule.--Whenever a vendor is prohibited by law or governmental regulation to charge and collect the purchase price in advance of or at the time of delivery, the vendor shall prepay the tax as required by this chapter, but in that case, if the purchaser fails to pay to the vendor the total amount of the purchase price and the tax and the amount is written off as uncollectible by the vendor, the vendor shall not be liable for the tax and shall be entitled to a credit or refund of the tax paid.

(b) Subsequent collection of tax.--If the purchase price is
thereafter collected, in whole or in part, the amount collected shall be first applied to the payment of the entire tax portion of the bill, and shall be remitted to the department by the vendor with the first return filed after such collection.

(c) Time period for refund.--Tax prepaid shall be subject to refund on petition to the department under the provisions of section 752, filed within 105 days of the close of the fiscal year in which the accounts are written off.

Section 747.1. Refund of sales tax attributed to bad debt.

(a) General rule.--A vendor may file a petition for refund of sales tax paid to the department that is attributed to a bad debt if all of the following apply:

(1) The purchaser fails to pay the total purchase price.

(2) The purchase price is written off, either in whole or in part, as a debt on the books and records of the vendor or an affiliate of the vendor.

(3) The bad debt has been deducted for Federal income tax purposes under section 166 of the Internal Revenue Code of 1986.

(a.1) Time for filing petition.--A petition for refund, which is authorized by this section, must be filed with the department within the time limitations under section 3003.1(a) of the Tax Reform Code of 1971.

(a.2) Private-label credit cards.--In the case of private-label credit card accounts not qualifying under subsection (a), a vendor or lender that makes an election pursuant to subsection (a.3) shall be entitled to file a petition for refund of sales tax that the vendor has previously reported and paid to the department, if all of the following conditions are met:

(1) No refund was previously allowed with respect to the
portion of the account written off as a bad debt.

(2) The account has been found worthless and written off, either in whole or in part, as bad debt on the books and records of the lender or an affiliate of the lender.

(3) The account has been deducted for Federal income tax purposes under section 166 of the Internal Revenue Code of 1986 by the lender or an affiliate of the lender.

(a.3) Joint election.--In order to be eligible for a refund under subsection (a.2), the lender and the vendor must execute and file with the department a joint election, signed by both parties, designating which party is entitled to claim the refund. This election may not be revoked unless a written notice is signed by the party that signed the election being revoked and is filed with the department.

(b) Limitation.--

(1) The refund authorized by this section shall be limited to the sales tax paid to the department that is attributed to the bad debt, less any discount under section 727.

(2) Partial payments by the purchaser shall be prorated between the original purchase price and the sales tax due on the sale.

(3) Payments made on any transaction which includes both taxable and nontaxable components shall be allocated proportionally between the taxable and nontaxable components.

(c) Assignment.--A vendor or lender may assign its right to petition and receive a refund of sales tax attributed to a bad debt to an affiliate.

(d) Items not refundable.--No refund shall be granted under this section for interest, finance charges or expenses incurred
in attempting to collect any amount receivable.

(e) Documentation.--Documentation requirements are as follows:

(1) Any person claiming a refund under this section shall, on request, make available adequate books, records or other documentation supporting the claimed refund, including:

(i) Date of original sale, name and Pennsylvania sales tax license number of the retailer.

(ii) Name and address of purchaser.

(iii) Amount that the purchaser paid or agreed to pay.

(iv) Taxable and nontaxable charges.

(v) Amount on which the retailer reported and paid sales tax.

(vi) All payments or other credits applied to the account of the purchaser.

(vii) Evidence that the uncollected amount has been designated as a bad debt in the books and records of the vendor or lender, as appropriate, and that the amount has been claimed as a bad debt deduction for Federal income tax purposes.

(viii) The county in which any local sales tax was incurred.

(ix) The unpaid portion of the sales price.

(x) A certification, under penalty of perjury, that no person has collected money on the bad debt for which the refund is claimed.

(xi) Any other information required by the department.

(2) A person claiming a refund under this section may
provide alternative forms of documentation acceptable to the
department if appropriate in light of the volume and
character of uncollectible accounts. This includes the
following:

(i) If a vendor remits sales or use tax to the
Commonwealth and to another state, the entity claiming a
refund under this section may use an apportionment method
to substantiate the amount of Pennsylvania tax included
in the bad debts to which the refund applies.

(ii) The apportionment method must use the vendor's
Pennsylvania and non-Pennsylvania sales, the vendor's
taxable and nontaxable sales and the amount of tax the
vendor remitted to Pennsylvania.

(f) Subsequent collection.--

(1) If the purchase price that is attributed to a prior
bad debt refund is collected in whole or in part by the
vendor or lender, or an affiliate of the vendor or lender,
the entity claiming the refund shall remit the proportional
tax to the department with the first return filed after the
collection. If the entity is not required to file periodic
returns, the entity shall remit the proportional tax to the
department with another return pursuant to section 717(c).

(2) Any consideration received for the assignment, sale
or other transfer of a bad debt with respect to which a
refund has been granted shall be deemed to be a collection of
a prior bad debt. This paragraph shall not apply to a
transfer to an entity that is part of the same affiliated
group, as defined by section 1504(a)(1) of the Internal

(3) A person that collects, in whole or in part, the
purchase price attributed to a prior bad debt refund is
required to maintain adequate books, records or other
documentation to allow the department to determine whether
the purchase price attributed to a prior bad debt refund has
been collected. Information under this paragraph includes the
pertinent facts required by subsection (e).

(4) If it is determined by the department that a prior
bad debt has been collected, in whole or in part, and the
proportional tax has not been properly reported and paid to
the department, the person that claimed the refund on the
transaction shall report and pay the proportional tax to the
department plus applicable interest and penalty under this
chapter.

(g) Interest prohibited.--Notwithstanding the provisions of
section 806.1 of the Fiscal Code, no interest shall be paid by
the Commonwealth on refunds of sales tax attributed to bad debt
under this section.

(h) Administration.--

(1) No refund or credit of sales tax shall be made for
any uncollected purchase price or bad debt except as
authorized by this section.

(2) No deduction or credit for bad debt may be taken on
any return filed with the department.

(3) This section shall provide the exclusive procedure
for claiming a refund or credit of sales tax attributed to
uncollected purchase price or bad debt.

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

"Affiliate." A person that is:

(2) A person described in paragraph (1) or (2) of the definition of "lender" that would be an affiliated entity, under section 1504(a)(1) of the Internal Revenue Code of 1986, of a vendor but for the fact the person is not a corporation, an assignee or another transferee of a person described in paragraph (1) or (2) of the definition of "lender".

"Lender." Any of the following:

(1) A person that owns or has owned a private-label credit card account purchased directly from a vendor that reported the tax under this chapter.

(2) A person that owns or has owned a private-label credit card account pursuant to a contract directly with the vendor that reported the tax under this chapter.

(3) A person that is:

   (i) an affiliate of a person described in paragraph (1) or (2); or

   (ii) an assignee or other transferee of a person described in paragraph (1) or (2).

"Private-label credit card." Any charge card, credit card or other instrument serving similar purpose which carries, refers to or is branded with the name or logo of a vendor and which can be used for purchases from the vendor. The term does not include a card or instrument which may also be used to make purchases from persons other than the vendor whose name or logo appears on the card or instrument or that vendor's affiliates. Nothing in this definition shall be construed to authorize a refund with respect to bad debts attributable to sales by unrelated persons.
referred to in this definition.

Section 748. Registration of transient vendors.

(a) General rule.--Prior to conducting business or otherwise commencing operations in this Commonwealth, a transient vendor shall register with the department. The application for registration shall be in such form and contain such information as the department, by regulation, shall prescribe and shall set forth truthfully and accurately the information desired by the department. This registration shall be renewed and updated annually.

(b) Certificate to be issued.--After registration and the posting of the bond required by section 748.1, the department shall issue to the transient vendor a certificate valid for one year. On renewal of registration, the department shall issue a new certificate valid for one year, if the department is satisfied that the transient vendor has complied with the provisions of this chapter.

(c) Possession and exhibition of certificate.--The transient vendor shall possess the certificate at all times when conducting business within this Commonwealth and shall exhibit the certificate upon demand by authorized employees of the department or any law enforcement officer.

(d) Contents of certificate.--The certificate issued by the department shall state that the transient vendor named in the certificate has registered with the department and shall provide notice to the transient vendor that:

(1) The transient vendor must notify the department in writing before it enters this Commonwealth to conduct business, of the location or locations where it intends to conduct business and the date or dates on which it intends to
conduct business.

(2) Failure to notify or giving false information to the department may result in suspension or revocation of the transient vendor's certificate.

(3) Conducting business in this Commonwealth after a certificate has been suspended or revoked may result in criminal conviction and the imposition of fines or other penalties.

Section 748.1. Bond.

(a) General rule.--Upon registration with the department, a transient vendor shall also post a bond with the department in the amount of $500 as surety for compliance with the provisions of this chapter. After a period of demonstrated compliance with these provisions or, if the transient vendor provides the license number of a promoter who has notified the department of a show, in accordance with the provisions of section 748.6(a), the department may reduce the amount of bond required of a transient vendor or may eliminate the bond entirely.

(b) Voluntary suspension of certificate.--A transient vendor may file a request for voluntary suspension of certificate with the department. If the department is satisfied that the provisions of this chapter have been complied with and has possession of the transient vendor's certificate, it shall return the bond posted to the transient vendor.

Section 748.2. Notification to department.

(a) General rule.--Prior to entering this Commonwealth to conduct business, a transient vendor shall notify the department in writing of the location or locations where it intends to conduct business and the date or dates on which it intends to conduct business.
(b) Inspection of records.--While conducting business in this Commonwealth, the transient vendor shall permit authorized employees of the department to inspect its sales records, including, but not limited to, sales receipts and inventory or price lists and to permit inspection of the tangible personal property offered for sale at retail.

(c) Conditions for suspension or revocation of certificate.--The department may suspend or revoke a certificate issued to a transient vendor if the transient vendor:

(1) fails to notify the department as required by subsection (a);

(2) provides the department with false information regarding the conduct of business in this Commonwealth;

(3) fails to collect sales tax on all tangible personal property or services sold subject to the sales tax; or

(4) fails to file with the department a tax return as required by section 717.

(d) Regulations.--The department shall promulgate the rules and regulations necessary to implement this section.

Section 748.3. Seizure of property.

(a) General rule.--If a transient vendor conducting business in this Commonwealth fails to exhibit a valid certificate on demand by authorized employees of the department, those authorized employees shall seize, without warrant, the tangible personal property and the automobile, truck or other means of transportation used to transport or carry that property. All property seized shall be deemed contraband and shall be subject to immediate forfeiture proceedings instituted by the department pursuant to procedures adopted by regulation, except as otherwise provided by this section.
(b) Release of seized property.--Property seized pursuant to subsection (a) shall be released on:

(1) presentation of a valid certificate to authorized employees of the department; or

(2) registration by the transient vendor with the department and the posting of a bond in the amount of $500, either immediately or within 15 days after the property is seized.

Section 748.4. Fines.

Any transient vendor conducting business in this Commonwealth while its certificate is suspended or revoked, as provided by sections 748.1(b) and 748.2(c), commits a misdemeanor of the third degree and, upon conviction, shall be sentenced to pay a fine of not more than $2,500 for each offense.

Section 748.5. Transient vendors subject to chapter.

Except as otherwise provided, a transient vendor shall be subject to the provisions of this chapter in the same manner as a vendor who maintains a place of business in this Commonwealth.

Section 748.6. Promoters.

(a) General rule.--A promoter of a show or shows in this Commonwealth may annually file with the department an application for a promoter's license stating the location and dates of such show or shows. The application shall be filed at least 30 days prior to the opening of the first show and shall be in such form as the department may prescribe.

(b) License.--

(1) Except as otherwise provided in this chapter, the department shall, within 15 days after receipt of an application for a license, issue to the promoter without charge a license to operate such shows.
(2) If application for a license under this section has been timely filed and if the license has not been received by the promoter prior to the opening of the show, the authorization contained in this section with respect to the obtaining of a promoter's license shall be deemed to have been complied with, unless or until the promoter receives notice from the department denying the application for a promoter's license.

(c) Compliance.--Any promoter who is a vendor under the provisions of section 701 shall comply with all the provisions of this chapter applicable to vendors and with the provisions of this section applicable to promoters.

(d) Prohibited conduct.--No licensed promoter shall permit any person to display for sale or to sell tangible personal property or services subject to tax under section 702 at a show unless the person is licensed under section 708 and provides to the promoter the information required under law.

(e) Penalties.--

(1) Any licensed promoter who:

(i) permits any person to display for sale or to sell tangible personal property or service without first having been licensed under section 708;

(ii) fails to maintain records of a show as required by law; or

(iii) knowingly maintains false records or fails to comply with any provision contained in this section or any regulation promulgated by the department pertaining to shows,

shall be subject to denial of a license or the revocation of any existing license issued pursuant to this section.
(2) The department may deny the promoter a license certificate to operate a show for a period of not more than six months from the date of such denial. The penalty shall be in addition to any other penalty imposed by this chapter.

(3) Within 20 days of notice of denial or revocation of a license by the department, the promoter may petition the department for a hearing pursuant to 2 Pa.C.S. (relating to administrative law and procedure).

Section 749. (Reserved).
Section 750. (Reserved).
Section 751. (Reserved).
Section 752. Refunds.

(a) General rule.—Subject to the provisions of subsection (b), the department shall, pursuant to the provisions of Article XXVII of the Tax Reform Code of 1971, refund all taxes, interest and penalties paid to the Commonwealth under the provisions of this chapter and to which the Commonwealth is not rightfully entitled. The refunds shall be made to the person, the person's heirs, successors, assigns or other personal representatives, who actually paid the tax.

(b) Exception.—No refund shall be made under this section with respect to any payment made by reason of an assessment with respect to which a taxpayer has filed a petition for reassessment pursuant to section 2702 of the Tax Reform Code of 1971 to the extent that the petition has been determined adversely to the taxpayer by a decision which is no longer subject to further review or appeal.

(c) Construction.—Nothing contained in this section shall be deemed to prohibit a taxpayer who has filed a timely petition for reassessment from amending it to a petition for refund where
the petitioner has paid the tax assessed.

Section 753. Refund petition.

(a) General rule.--Except as provided for in subsection (b) and section 756, the refund or credit of tax, interest or penalty provided for by section 752 shall be made only where the person who has actually paid the tax files a petition for refund with the department under Article XXVII of the Tax Reform Code of 1971, within the limits of section 3003.1 of the Tax Reform Code of 1971.

(b) Assessments.--A refund or credit of tax, interest or penalty paid as a result of an assessment made by the department under section 731 shall be made only where the person who has actually paid the tax files with the department a petition for a refund with the department under Article XXVII of the Tax Reform Code of 1971 within the time limits of section 3003.1 of the Tax Reform Code of 1971. The filing of a petition for refund under the provisions of this subsection shall not affect the abatement of interest, additions or penalties to which the person may be entitled by reason of the person's payment of the assessment.

Section 754. (Reserved).

Section 755. (Reserved).

Section 756. Extended time for filing special petition for refund.

(a) General rule.--Any party to a transaction who has paid tax by reason of a transaction with respect to which the department is assessing tax against another person may, within six months after the filing by the department of the assessment against the other person, file a special petition for refund, notwithstanding the person's failure to timely file a petition pursuant to section 3003.1 of the Tax Reform Code of 1971. The
provisions of Article XXVII of the Tax Reform Code of 1971 shall be applicable to the special petition for refund, except that the department need not act on the petition until there is a final determination as to the propriety of the assessment filed against the other party to the transaction. Where a petition is filed under this provision in order to take advantage of the extended period of limitations, overpayments by the petitioner shall be refunded but only to the extent of the actual tax, without consideration of interest and penalties, paid by the other party to the transaction.

(b) Purpose.--The purpose of this section is to avoid duplicate payment of tax where a determination is made by the department that one party to a transaction is subject to tax, and another party to the transaction has previously paid tax with respect to the transaction and, as such, this section shall be construed as extending right beyond that provided for by section 753, and not to limit the other section.

Section 757. (Reserved).

Section 758. Limitation on assessment and collection.

The amount of the tax imposed by this chapter shall be assessed within three years after the date when the return provided for by section 717(a) or (c) is filed or the end of the year in which the tax liability arises, whichever occurs later. Any assessment may be made at any time during the period notwithstanding that the department may have made one or more previous assessments against the taxpayer for the year in question, or for any part of the year. In any case, no credit shall be given for any penalty previously assessed or paid.

Section 759. Failure to file return.

Where no return is filed, the amount of the tax due may be
assessed and collected at any time as to taxable transactions not reported.

Section 760. False or fraudulent return.

Where the taxpayer willfully files a false or fraudulent return with intent to evade the tax imposed by this chapter, the amount of tax due may be assessed and collected at any time.

Section 761. Extension of limitation period.

Notwithstanding any other provisions of this subchapter where, before the expiration of the period prescribed in that other provision for the assessment of a tax, a taxpayer has consented in writing that the period be extended, the amount of tax due may be assessed at any time within the extended period. The period so extended may be extended further by subsequent consents in writing made before the expiration of the extended period.

Section 762. (Reserved).

Section 763. (Reserved).

Section 764. (Reserved).

Section 765. (Reserved).

Section 766. Additions to tax.

(a) Failure to file return.--In the case of failure to file any return required by section 715 on the date prescribed for the return, determined with regard to any extension of time for filing, and, in the case in which a return filed understates the true amount due by more than 50%, there shall be added to the amount of tax actually due 5% of the amount of the tax if the failure to file a proper return is for not more than one month, with an additional 5% for each additional month, or fraction thereof, during which such failure continues, not exceeding 25% in the aggregate. In every case at least $2 shall be added.
(b) Addition for understatement.--There shall be added to
every assessment under section 731(b) an addition equal to 5% of
the amount of the understatement and no addition to the tax
shall be paid under section 731(a).

Section 767. Penalties.

(a) General rule.--The penalties, additions, interest and
liabilities provided by this chapter shall be paid on notice and
demand by the department, and shall be assessed and collected in
the same manner as taxes. Except as otherwise provided, any
reference in this chapter to tax imposed by this chapter shall
be deemed also to refer to the penalties, additions, interest
and liabilities provided by this chapter.

(b) Monetary penalty.--Any person who willfully attempts, in
any manner, to evade or defeat the tax imposed by this chapter,
or the payment thereof, or to assist any other person to evade
or defeat the tax imposed by this chapter, or the payment
thereof, or to receive a refund improperly shall, in addition to
other penalties provided by law, be liable for a penalty equal
to one-half of the total amount of the tax evaded.

(c) Burden of proof.--In any direct proceeding arising out
of a petition for reassessment or refund as provided in this
chapter, in which an issue of fact is raised with respect to
whether a return is fraudulent or with respect to the propriety
of the imposition by the department of the penalty prescribed in
subsection (b), the burden of proof with respect to the issue
shall be on the department.

Section 768. Criminal offenses.

(a) False returns.--Any person who with intent to defraud
the Commonwealth willfully makes, or causes to be made, any
return required by this chapter which is false commits a
misdemeanor and, upon conviction, shall be sentenced to pay a
fine of not more than $2,000 or to imprisonment not exceeding
three years, or both.

(b) Other offenses.--Except as otherwise provided by
subsection (a) and subject to the provisions of subsection (c),
any person who:

(1) advertises or holds out or states to the public or
to any purchaser or user, directly or indirectly, that the
tax or any part imposed by this chapter will be absorbed by
the person, or that it will not be added to the purchase
price of the tangible personal property or services described
in section 701(k)(2), (3), (4), (11), (12), (13), (14), (15),
(16), (17), (18) and (20) sold or, if added, that the tax or
any part will be refunded, other than when the person refunds
the purchase price because of the property being returned to
the vendor;

(2) sells or leases tangible personal property or the
services, the sale or use of which by the purchaser is
subject to tax under this chapter, and willfully fails to
collect the tax from the purchaser and timely remit the same
to the department;

(3) willfully fails or neglects to timely file any
return or report required by this chapter or, as a taxpayer,
refuses to timely pay any tax, penalty or interest imposed or
provided for by this chapter, or willfully fails to preserve
the person's books, papers and records as directed by the
department;

(4) refuses to permit the department or any of its
authorized agents to examine the person's books, records or
papers, or who knowingly makes any incomplete, false or
(5) does or attempts to do anything to prevent the full
disclosure of the amount or character of taxable sales
purchases or use made by himself or any other person;
(6) provides any person with a false statement as to the
payment of tax with respect to particular tangible personal
property or services; or
(7) makes, utters or issues a false or fraudulent
exemption certificate;
commits a misdemeanor and, upon conviction shall be sentenced to
pay a fine of not more than $1,000 and costs of prosecution or
to imprisonment for not more than one year, or both.
(c) Exceptions.--
(1) Any person who maintains a place of business outside
this Commonwealth may absorb the tax with respect to taxable
sales made in the normal course of business to customers
present at that place of business without being subject to
the penalty and fines.
(2) Advertising tax-included prices shall be
permissible, if the prepaid services are sold by the service
provider, for prepaid telecommunications services not
evidenced by the transfer of tangible personal property or
for prepaid mobile telecommunications services.
(d) Penalties are cumulative.--The penalties imposed by this
section shall be in addition to any other penalties imposed by
any provision of this chapter.
Section 769. Abatement of additions or penalties.
On the filing of a petition for reassessment or a petition
for refund as provided under this chapter by a taxpayer,
additions or penalties imposed on the taxpayer by this chapter
may be waived or abated, in whole or in part, where the 
petitioner has established that the petitioner has acted in good 
faith, without negligence and with no intent to defraud. 

Section 770. Rules and regulations. 

(a) General rule.--The department shall enforce the 
provisions of this chapter and shall prescribe, adopt, 
promulgate and enforce rules and regulations not inconsistent 
with the provisions of this chapter, relating to any matter or 
thing pertaining to the administration and enforcement of the 
provisions of this chapter, and the collection of taxes, 
penalties and interest imposed by this chapter. The department 
may prescribe the extent, if any, to which any of the rules and 
regulations shall be applied without retroactive effect. 

(b) Determination of purchase price.--

(1) In determining the purchase price of taxable sales 
where, because of affiliation of interests between the vendor 
and the purchaser or irrespective of any such affiliation, if 
for any other reason, the purchase price of the sale is in 
the opinion of the department not indicative of the true 
value of the article or the fair price of the article, the 
department shall, pursuant to uniform and equitable rules, 
determine the amount of constructive purchase price on the 
basis of which the tax shall be computed and levied. 

(2) The rules shall provide for a constructive amount of 
a purchase price for each sale, which price shall equal a 
price for the article which would naturally and fairly be 
charged in an arm's-length transaction in which the element 
of common interests between vendor and purchaser or, if no 
common interest exists, any other element causing a 
distortion of the price or value is absent.
(3) For the purpose of this chapter where a taxable sale occurs between a parent corporation and a subsidiary affiliate or controlled corporation of such parent, there shall be a rebuttable presumption that because of such common interest the transaction was not at arm's-length.

Section 771. Keeping of records.

(a) Persons liable for taxes.--Every person liable for any tax imposed by this chapter, or for the collection of the tax, shall keep the records, render such statements, make the returns and comply with the rules and regulations as the department may, from time to time, prescribe regarding matters pertinent to the person's business. Whenever in the judgment of the department it is necessary, it may require any person, by notice served on the person, or by regulations, to make the returns, render the statements or keep the records as the department deems sufficient to show whether the person is liable to pay or collect tax under this chapter.

(b) Persons collecting taxes.--Any person liable to collect tax from another person under the provisions of this chapter shall file reports, keep records, make payments and be subject to interest and penalties as provided for under this chapter, in the same manner as if the person were directly subject to the tax.

(c) Nonresidents.--

(1) A nonresident who does business in this Commonwealth as a retail dealer shall keep adequate records of the business and of the tax due with respect to the business, which records shall at all times be retained within this Commonwealth unless retention outside this Commonwealth is authorized by the department.
(2) No taxes collected from purchasers shall be sent outside this Commonwealth without the written consent of and in accordance with conditions prescribed by the department.

(3) The department may require a taxpayer who desires to retain records or tax collections outside this Commonwealth to assume reasonable out-of-State audit expenses.

(d) Retail dealers.--

(1) Any person doing business as a retail dealer who at the same time is engaged in another business which does not involve the making of sales taxable under this chapter shall keep separate books and records of the person's businesses so as to show the sales taxable under this chapter separately from the sales not taxable under this chapter.

(2) If the person fails to keep such separate books and records, the person shall be liable for tax at the rate designated in section 702 on the entire purchase price of sales from both or all of the person's businesses.

(e) Segregation of taxes required.--

(1) In those instances where a vendor gives no sales memoranda or uses registers showing only total sales, the vendor shall adopt some method of segregating tax from sales receipts and keep records showing the segregation, all in accordance with proper accounting and business practices.

(2) A vendor may apply to the department for permission to use a collection and recording procedure which will show the information as the law requires with reasonable accuracy and simplicity. The application must contain a detailed description of the procedure to be adopted.

(3) Permission to use the proposed procedure is not to be construed as relieving the vendor from remitting the full
amount of tax collected.

(4) The department may revoke the permission on 30 days' notice to the vendor.

(5) Refusal of the department to grant permission in advance to use the procedure shall not be construed to invalidate a procedure which on examination shows the information as the law requires.

Section 771.1. Reports and records of promoters.

Every licensed promoter shall keep a record of the date and place of each show and the name, address, sales, use and hotel occupancy license number of every person whom the licensed promoter permits to display for sale or to sell tangible personal property or services subject to tax under section 702 at the show. The records shall be open for inspection and examination at any reasonable time by the department or a duly authorized representative, and the records shall, unless the department consents in writing to an earlier destruction, be preserved for three years after the date the report was filed or the date it was due, whichever occurs later, except that the department may by regulation require that they be kept for a longer period of time.

Section 772. Examinations.

(a) Power of department.--The department or any of its authorized agents may examine the books, papers and records of any taxpayer in order to verify the accuracy and completeness of any return made or if no return was made, to ascertain and assess the tax imposed by this chapter. The department may require the preservation of all such books, papers and records for any period deemed proper by it but not to exceed three years from the end of the calendar year to which the records relate.
(b) Duty of taxpayers.--Every taxpayer shall give to the
department, or its agent, the means, facilities and opportunity
for the examinations and investigation.

(c) Other powers of department.--

(1) The department is further authorized to examine any
person, under oath, concerning taxable sales or use by any
taxpayer or concerning any other matter relating to the
enforcement or administration of this chapter, and to this
end may compel the production of books, papers and records
and the attendance of all persons whether as parties or
witnesses whom it believes to have knowledge of such matters.

(2) The procedure for such hearings or examinations
shall be the same as that provided by the Fiscal Code
relating to inquisitorial powers of fiscal officers.

Section 773. Records and examinations of delivery agents.

Every agent for the purpose of delivery of goods shipped into
this Commonwealth by a nonresident, including, but not limited
to, a common carrier, shall maintain adequate records of such
deliveries pursuant to rules and regulations adopted by the
department and shall make the records available to the
department upon request after due notice.

Section 774. Unauthorized disclosure.

Any information gained by the department as a result of any
return, examination, investigation, hearing or verification
required or authorized by this chapter shall be confidential,
except for official purposes and except in accordance with
proper judicial order or as otherwise provided by law, and any
person unlawfully divulging such information commits a
misdemeanor and, upon conviction, shall be sentenced to pay a
fine of not more than $1,000 and costs of prosecution or to
imprisonment for not more than one year, or both.

Section 775. Cooperation with other governments.

Notwithstanding the provisions of section 774, the department may permit the Commissioner of Internal Revenue of the United States, or the proper officer of any state, or the authorized representative of either such officer, to inspect the tax returns of any taxpayer, or may furnish to the officer or to the officer's authorized representative an abstract of the return of any taxpayer, or supply the officer or the authorized representative with information concerning any item contained in any return or disclosed by the report of any examination or investigation of the return of any taxpayer. This permission shall be granted only if the statutes of the United States or of such other state, as the case may be, grant substantially similar privileges to the proper officer of the Commonwealth charged with the administration of this chapter.

Section 776. Interstate compacts.

(a) General rule.--The Governor, or the Governor's authorized representative, may confer with the Governor and the authorized representatives of other states with respect to reciprocal use tax collection between the Commonwealth and such other states.

(b) Other powers.--The Governor, or the Governor's authorized representative, may join with the authorities of other states to conduct joint investigations, to exchange information, hold joint hearings and enter into compacts or interstate agreements with such other states to accomplish uniform reciprocal use tax collections between those states who are parties to any compact or interstate agreement and the Commonwealth.
Section 777. Bonds.

(a) Procedure.--

(1) Whenever the department, in its discretion, deems it necessary to protect the revenues to be obtained under the provisions of this chapter, it may require any nonresident natural person or any foreign corporation, association, fiduciary, partnership or other entity, not authorized to do in this Commonwealth or not having an established place of business in this Commonwealth and subject to the tax imposed by section 702, to file a bond issued by a surety company authorized to do business in this Commonwealth and approved by the Insurance Commissioner as to solvency and responsibility, in such amounts as it may fix, to secure the payment of any tax or penalties due, or which may become due, from a natural person or corporation.

(2) In order to protect the revenues to be obtained under the provisions of this chapter, the department shall require any nonresident natural person or any foreign corporation, association, fiduciary, partnership or entity, who or which is a building contractor, or who or which is a supplier delivering building materials for work in this Commonwealth and is not authorized to do business in this Commonwealth or does not have an established place of business in this Commonwealth and is subject to the tax imposed by section 702, to file a bond issued by a surety company authorized to do business in this Commonwealth and approved by the Insurance Commissioner as to solvency and responsibility, in the amounts as it may fix, to secure the payments of any tax or penalties due, or which may become due, from a natural person, corporation or other entity.
(3) The department may also require a bond of any person petitioning the department for reassessment, in the case of any assessment over $500 or where it is of the opinion that the ultimate collection is in jeopardy.

(4) (i) The department may, for a period of three years, require a bond of any person who has on three or more occasions within a 12-month period either filed a return or made payment to the department more than 30 days late.

(ii) If the department determines that a taxpayer is to file a bond, the department shall give notice to the taxpayer to that effect, specifying the amount of the bond required.

(iii) The taxpayer shall file a bond within five days after the giving of the notice by the department unless, within the five-day period, the taxpayer requests in writing a hearing before the secretary or the secretary's representative at which hearing the necessity, propriety and amount of the bond shall be determined by the secretary or a representative. The determination shall be final and shall be complied within 15 days after notice is mailed to the taxpayer.

(b) Alternative security.—

(1) In lieu of the bond required by this section, securities approved by the department, or cash in the amount as it may prescribe, may be deposited.

(2) Such securities or cash shall be kept in the custody of the department, who may, at any time, without notice to the depositor, apply them to any tax and/or interest or penalties due, and for that purpose the securities may be...
sold by the department, at public or private sale, on five
days' written notice to the depositor.

(c) Lien may be filed.--

(1) The department may file a lien pursuant to section
742 against any taxpayer who fails to file a bond when
required to do so under this section.

(2) All funds received on execution of the judgment on
the lien shall be refunded to the taxpayer with 3% interest
should a final determination be made that the taxpayer does
not owe any payment to the department.

Section 778. Remote sales reports.

(a) Duty to submit.--Within 90 days of the publication of
the notice under subsection (b), the Independent Fiscal Office,
in conjunction with the department, shall submit a detailed
report to the chairperson and minority chairperson of the
Appropriations Committee of the Senate, the chairperson and
minority chairperson of the Finance Committee of the Senate, the
chairperson and minority chairperson of the Appropriations
Committee of the House of Representatives and the chairperson
and minority chairperson of the Finance Committee of the House
of Representatives outlining the plans concerning the
implementation of the legislation referenced in subsection (b)
or other substantially similar Federal legislation, which would
grant the Commonwealth the authority to impose and collect the
tax under this chapter due on sales from remote sellers. The
report shall include all of the following:

(1) The amount of State funds necessary to implement the
legislation referenced in subsection (b) or other
substantially similar legislation. The amount needed shall be
itemized and all costs, including personnel, office expenses
and other related costs, shall be included.

(2) The amount of State tax revenue expected to result from the implementation of the legislation referenced in subsection (b) or other substantially similar legislation for the fiscal year and for five fiscal years thereafter.

(3) The source of funds which will be utilized to pay for the legislation referenced in subsection (b) or other substantially similar legislation implementation program.

(4) The legal and practical issues concerning the propriety of collecting and enforcing the tax imposed under this chapter from remote sellers.

(5) The number of other states which have a similar law in effect and the success or deficiencies of the law.

(6) Proposed draft legislation concerning the implementation of the legislation referenced in subsection (b) or other substantially similar legislation.

(7) A detailed timetable on when separate tasks must be completed for full implementation on an estimated start date.

(b) Notice in the Pennsylvania Bulletin.--The secretary shall publish notice in the Pennsylvania Bulletin that Federal legislation relating to remote sellers has been enacted.

SUBCHAPTER G

FUNDING PROVISIONS

Section 780. (Reserved).

Section 781. Appropriation for refunds.

So much of the proceeds of the tax imposed by this chapter as shall be necessary for the payment of refunds, enforcement or administration under this chapter is hereby appropriated for those purposes.

Section 781.1. Construction.
To the extent that the language of this chapter is identical to that of equivalent provisions in the former act of March 6, 1956 (P.L.1228, No.381), known as the Tax Act of 1963 for Education, or Article II of the Tax Reform Code of 1971, that language shall be deemed a reenactment of such identical provisions.

Section 782. Transfers to Education Stabilization Fund.

(a) Deposit of sales and use tax and hotel occupancy tax collected.--The secretary shall deposit into the Education Stabilization Fund revenues received on or after January 1, 2018, regardless of the transaction date, that equal the portion of the tax imposed by this chapter as follows:

(1) Except as otherwise provided in section 2301 of the Tax Reform Code of 1971 providing for the establishment of the Public Transportation Assistance Fund, 39.6% of the tax collected on the sales at retail and use of tangible personal property and services as provided in Subchapter B.

(2) One-seventh of the hotel occupancy tax collected under Subchapter E.

(b) (Reserved).

Section 783. Transfers to Public Transportation Assistance Fund.

(a) General rule.--All revenues received on or after July 1, 1992, from the imposition of tax on periodicals shall be transferred to the Public Transportation Assistance Fund according to the formula set forth in subsection (b).

(b) Transfer.--Within 30 days of the close of any calendar month, 0.596% of the taxes received in the previous month under this chapter, less any amounts collected in that previous calendar month under former 74 Pa.C.S. § 1314(d) (relating to...
Public Assistance Transportation Fund), shall be transferred to the Public Transportation Assistance Fund.

(c) Deposit.--In fiscal year 1991-1992, the Secretary of Revenue shall ensure that $10,000,000 is deposited into the Public Assistance Transportation Fund from the combination of revenues received under former 74 Pa.C.S. § 1314(d) and transfers of periodical taxes received under this chapter.

(d) Revenue.--Commencing February 20, 2018, and notwithstanding the provisions of 74 Pa.C.S. § 1506(c)(1) (relating to fund) to the contrary, the revenues deposited into the Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c)(1) shall be 2.769% of the amount collected under this chapter.

The amounts required to be deposited into the Public Transportation Trust Fund under this subsection are estimated to be equivalent to the revenue that would be deposited into the Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c)(1) if the amendments to section 702 were not enacted.

CHAPTER 9

EDUCATION COST COMMISSION

Section 901. Education Cost Commission.

(a) Establishment.--The Education Cost Commission is established and shall exercise the powers and duties described in this chapter.

(b) Membership.--The commission shall consist of the following members:

(1) The chair and minority chair of the Education Committee of the Senate and the chair and minority chair of the Education Committee of the House of Representatives or their designees.

(2) Two legislators from each of the four legislative
caucuses, to be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives, in consultation with the Majority Leader and Minority Leader of the Senate and the Majority Leader and Minority Leader of the House of Representatives.

(3) An individual appointed by the Governor from within the Governor's Administration.

(c) Chairperson.--The members of the commission shall elect one of its members as chairperson.

(d) Meetings.--The commission shall convene its first meeting within 30 days of the effective date of this section and other meetings as necessary shall occur at the call of the chairperson.

(e) Duties.--The commission shall conduct an initial study that identifies the largest cost drivers within public education in this Commonwealth and make recommendations to the General Assembly for reducing the cost drivers. The commission shall perform a similar study every five years.

(f) Report to General Assembly.--The commission shall prepare a report of its initial study and submit the initial study with the General Assembly within six months of the effective date of this section. The commission shall prepare a report of each similar study every five years and submit the report not later than five years from the previous report.

CHAPTER 11
LIMIT ON SCHOOL DISTRICT TAXATION
AND EXPIRATION OF DEBT AUTHORITY

Section 1101. Definitions.

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

"Qualified refunding debt." School district debt issued after the effective date of this section to refund existing school district debt, which existing school district debt is secured by a pledge of tax on real estate, provided the refunding results in reducing total debt service over the life of the debt or shortens the term of the debt.

"School district debt." All debt which a school district is obligated to pay. The term does not include debt that is issued after the effective date of this section to refund debt which was outstanding prior to the effective date of this section, provided the refunding results in reducing total debt service over the life of the debt or shortens the term of the debt.

Section 1102. Coordination of school district fiscal years.

(a) General rule.--By July 1, 2018, a school district which operates under a fiscal year other than the period beginning July 1 of each calendar year and ending June 30 of the calendar year next succeeding shall adopt a fiscal year which is the period beginning July 1 of each calendar year and ending June 30 of the calendar year next succeeding.

(b) Duties of department.--The Department of Education shall provide technical assistance and guidance to school districts subject to assist school districts adopting a different fiscal year under subsection (a).

Section 1103. Transition period.

Beginning with the effective date of this section and ending July 1, 2018, a school district which levies a tax on real property may not increase the rate of tax on real property above the rate levied as of the effective date of this section.

Section 1104. School district debt and budgeting.
(a) General rule.--Beginning December 31, 2017, or on the
effective date of this section, whichever is later, a school
district may not incur any additional school district debt
secured by a pledge of tax on real estate, except for qualified
refunding debt.

(b) Certification.--By April 1, 2018, and by April 1 of each
year after, a school district shall certify and report to the
Department of Education all of the following:

(1) The amount of all outstanding school district debt.
(2) The repayment status of all outstanding school
district debt.
(3) The repayment terms of all outstanding school
district debt.
(4) The amount of annual debt service which must be paid
by the school district on the outstanding school district
debt.
(5) Any other information requested by the Department of
Education.

(c) Confirmation of information.--The Department of
Education may examine the books and records of a school district
in order to confirm the data submitted under subsection (b).

(d) Department responsibilities.--By July 1, 2018, and by
January 1 each year after, the Department of Education shall do
all of the following:

(1) Certify to the State Treasurer and the Office of the
Budget the amount of annual debt service payments necessary
for each school district to continue to repay its existing
outstanding school district debt.
(2) Notify each school district of the amount of its
annual debt service payments that the Department of Education
has certified as necessary for the school district to
continue to repay its existing outstanding school district
debt.
(e) School district responsibilities.--A school district
shall do all of the following:
(1) Adopt a preliminary budget proposal under section
311 of the Taxpayer Relief Act which reflects proposed tax
rates on real property that complies with section 1105.
(2) Adopt an annual budget under section 312 of the act
of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the
Taxpayer Relief Act, which reflects proposed tax rates on
real property that complies with section 1105.
Section 1105. Expiration of certain authority to levy, assess
and collect real property taxes.
(a) General rule.--Except as necessary to service
outstanding school district debt and as provided in subsection
(b), the authority of a school district to levy, assess and
collect a tax on real property shall expire July 1, 2018.
(b) Delinquent taxes.--Subsection (a) shall not apply to the
authority of a school district to collect delinquent school
property taxes imposed prior to July 1, 2018.
CHAPTER 13
FUNDING PROVISIONS
Section 1301. Definitions.
The following words and phrases when used in this chapter
shall have the meanings given to them in this section unless the
context clearly indicates otherwise:
"Base revenue." The money a school district receives from
school property taxes and the State property tax reduction
allocation received under section 505 of act of June 27, 2006
(1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, during fiscal year 2017-2018 and the amount of outstanding delinquent school property taxes owed to the school district for the fiscal year 2017-2018 less the amount certified by the department under section 1104(d).

"Cost of living factor." The lesser of:

(1) the percentage increase in the Statewide average weekly wage, as defined in 53 Pa.C.S. § 8401 (relating to definitions), from the previous calendar year; or

(2) the average of the percentage increase in sales and use tax collected under section 702 and the tax upon each dollar income collected under section 401(b)(1) and the percentage increase of the hotel occupancy tax collected under section 710 from the previous calendar year.

"Department." The Department of Education of the Commonwealth.

"Fund." The Education Stabilization Fund established in section 1302.

Section 1302. Education Stabilization Fund.

(a) Establishment.--The Education Stabilization Fund is established as a separate fund in the State Treasury.

(b) Use.--The department shall use the fund to make disbursements under section 1303.

(c) Continuing appropriation.--The money of the fund is hereby continuously appropriated to the department as provided in this act. This appropriation shall not lapse at the end of any fiscal year.

Section 1302.1. Sources and transfers.

(a) Deposit.--The following shall be deposited into the fund:

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Money remaining in the Property Tax Relief Fund following utilization of funds to provide tax relief in cities of the first class under Chapters 5 and 7 of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, and for property tax and rent rebates under Chapter 14.

Money collected by the department under section 401.

Money collected by the department under Chapter 7.

Appropriations.

Return on money in the fund.

(b) Transfer from the fund.--

(1) No later than June 30, 2017, and each June 30 thereafter, an amount equal to the refund reimbursement factor multiplied by the amount of refunds issued under Article III of the Tax Reform Code of 1971 for tax years in which the tax imposed under Chapter 4 is applicable, shall be transferred from the Education Stabilization Fund to the General Fund.

(2) For the purpose of this subsection, "refund reimbursement factor" means a fraction equal to the rate of tax imposed under Chapter 4 divided by the sum of the rate of tax imposed under Chapter 4 plus the rate of tax imposed under Article III of the Tax Reform Code of 1971.

Section 1303. Standard disbursements to school districts from Education Stabilization Fund.

(a) General rule.--In fiscal year 2018-2019, the department shall disburse to each school district an amount equal to the sum of the following:

(1) the school district's base revenues, plus

(2) the school district's base revenue multiplied by the
(b) Annual adjustment.--In fiscal year 2017-2018 and each fiscal year thereafter, the department shall disburse to a school district an amount equal to the sum of the following:

(1) The amount received by the school district in the prior fiscal year under this section.

(2) The amount received by the school district in the prior fiscal year under this section multiplied by the cost-of-living factor.

(c) Distributions.--Disbursements under subsections (a) and (b) shall be made at a time and in a manner determined by the Department of Education in consultation with the department.

CHAPTER 14
SENIOR CITIZENS PROPERTY TAX AND RENT REBATE ASSISTANCE

Section 1401. Scope of chapter.
This chapter provides senior citizens with assistance in the form of property tax and rent rebates.

Section 1402. (Reserved).

Section 1403. Definitions.
The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Board." The Board of Finance and Revenue of the Commonwealth.

"Claimant." A person who files a claim for property tax rebate or rent rebate in lieu of property taxes and:

(1) was at least 65 years of age or whose spouse, if a member of the household, was at least 65 years of age during a calendar year in which real property taxes or rent were due.
and payable;

(2) was a widow or widower and was at least 50 years of age during a calendar year or part thereof in which real property taxes or rent were due and payable; or

(3) was a permanently disabled person 18 years of age or older during a calendar year or part thereof in which the real property taxes or rent were due and payable.

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

"Homestead." A dwelling, whether owned or rented, and so much of the land surrounding it, as is reasonably necessary for the use of the dwelling as a home, occupied by a claimant. The term includes, but is not limited to:

(1) Premises occupied by reason of ownership or lease in a cooperative housing corporation.

(2) Mobile homes which are assessed as realty for local property tax purposes and the land, if owned or rented by the claimant, upon which the mobile home is situated, and other similar living accommodations.

(3) A part of a multidwelling or multipurpose building and a part of the land upon which it is built.

(4) Premises occupied by reason of the claimant's ownership or rental of a dwelling located on land owned by a nonprofit incorporated association, of which the claimant is a member, if the claimant is required to pay a pro rata share of the property taxes levied against the association's land.

(5) Premises occupied by a claimant if the claimant is required by law to pay a property tax by reason of the claimant's ownership or rental, including a possessory interest, in the dwelling, the land or both. An owner includes a person in possession under a contract of sale,
deed of trust, life estate, joint tenancy or tenancy in
common or by reason of statutes of descent and distribution.
"Household income." All income received by a claimant and
the claimant's spouse while residing in the homestead during the
calendar year for which a rebate is claimed.
"Income." All income from whatever source derived,
including, but not limited to:

(1) Salaries, wages, bonuses, commissions, income from
self-employment, alimony, support money, cash public
assistance and relief.

(2) The gross amount of any pensions or annuities,
including railroad retirement benefits for calendar years
prior to 1999 and 50% of railroad retirement benefits for
calendar years 1999 and thereafter.

(3) (i) All benefits received under the Social Security
Act (49 Stat. 620, 42 U.S.C. § 301 et seq.), except
Medicare benefits, for calendar years prior to 1999, and
50% of all benefits received under the Social Security
Act, except Medicare benefits, for calendar years 1999
and thereafter.

(ii) Notwithstanding any other provision of this act
to the contrary, persons who, as of December 31, 2012,
are eligible for the property tax or rent rebate shall
remain eligible if the household income limit is exceeded
due solely to a Social Security cost-of-living
adjustment.

(iii) Eligibility in the property tax and rent
rebate program pursuant to subparagraph (ii) shall expire
on December 31, 2018.

(4) All benefits received under State unemployment
insurance laws.

(5) All interest received from the Federal or any state government or any instrumentality or political subdivision thereof.

(6) Realized capital gains and rentals.

(7) Workers' compensation.

(8) The gross amount of loss of time insurance benefits, life insurance benefits and proceeds, except the first $5,000 of the total of death benefit payments.

(9) Gifts of cash or property, other than transfers by gift between members of a household, in excess of a total value of $300.

The term does not include surplus food or other relief in kind supplied by a governmental agency, property tax or rent rebate, inflation dividend dividend, Federal veterans' disability payments or State veterans' benefit.

"Permanently disabled person." A person who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to continue indefinitely, except as otherwise provided in this chapter.

"Real property taxes." All taxes on a homestead, exclusive of municipal assessments, delinquent charges and interest, due and payable during a calendar year.

"Rent rebate in lieu of property taxes." Twenty percent of the gross amount actually paid in cash or its equivalent in any calendar year to a landlord in connection with the occupancy of a homestead by a claimant, irrespective of whether such amount constitutes payment solely for the right of occupancy or otherwise.
"Secretary." The Secretary of Revenue of the Commonwealth.

"State veterans' benefits." Service-connected compensation or benefits of any kind provided to a veteran or an unmarried surviving spouse of a veteran by a Commonwealth agency or authorized under the laws of this Commonwealth.


"Widow" or "widower." The surviving wife or the surviving husband, as the case may be, of a deceased individual and who has not remarried except as otherwise provided in this chapter.

Section 1404. Property tax and rent rebate.

(a) Schedule of rebates.--

(1) The amount of any claim for property tax rebate or rent rebate in lieu of property taxes for real property taxes or rent due and payable during calendar years 1985 through 2005 shall be determined in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Percentage of Real Property Taxes or Rent Rebate in Lieu of Property Taxes Allowed as Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $4,999</td>
<td>100%</td>
</tr>
<tr>
<td>5,000 - 5,499</td>
<td>100</td>
</tr>
<tr>
<td>5,500 - 5,999</td>
<td>90</td>
</tr>
<tr>
<td>6,000 - 6,499</td>
<td>80</td>
</tr>
<tr>
<td>6,500 - 6,999</td>
<td>70</td>
</tr>
<tr>
<td>7,000 - 7,499</td>
<td>60</td>
</tr>
<tr>
<td>7,500 - 7,999</td>
<td>50</td>
</tr>
<tr>
<td>8,000 - 8,499</td>
<td>40</td>
</tr>
<tr>
<td>8,500 - 8,999</td>
<td>35</td>
</tr>
<tr>
<td>9,000 - 9,999</td>
<td>25</td>
</tr>
</tbody>
</table>
(2) The following apply:

(i) The base amount of any claim for property tax rebate for real property taxes due and payable during calendar year 2006 and thereafter shall be determined in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Amount of Real Property Taxes Allowed as Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $8,000</td>
<td>$650</td>
</tr>
<tr>
<td>8,001 - 15,000</td>
<td>500</td>
</tr>
<tr>
<td>15,001 - 18,000</td>
<td>300</td>
</tr>
<tr>
<td>18,001 - 35,000</td>
<td>250</td>
</tr>
</tbody>
</table>

(ii) The supplemental amount for a claimant with a household income equal to or less than $30,000 and an eligible claim for property tax rebate for real property taxes due and payable during the calendar year preceding the first year in which a payment under section 505(b) of the Taxpayer Relief Act is made and each year thereafter and whose real property taxes exceed 15% of the claimant's household income shall be equal to 50% of the base amount determined under subparagraph (i). A claimant who is a resident of a city of the first class, a city of the second class A or a school district of the first class A shall be ineligible for the supplemental amount under this subparagraph.

(3) The amount of any claim for rent rebate in lieu of property taxes for rent due and payable during calendar year 2006 and thereafter shall be determined in accordance with
the following:

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Amount of Rent Rebate in Lieu of Property Taxes Allowed as Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $8,000</td>
<td>$650</td>
</tr>
<tr>
<td>8,001 - 15,000</td>
<td>500</td>
</tr>
</tbody>
</table>

(b) Limitations on claims.--

(1) No claim through calendar year 2005 shall be allowed if the amount of property tax or rent rebate computed in accordance with this section is less than $10, and the maximum amount of property tax or rent rebate payable shall not exceed $500.

(2) For calendar year 2006 and thereafter, the maximum amount of property tax or rent rebate in lieu of property taxes payable shall not exceed the lesser of:

(i) the amount of a claim under subsection (a)(2) or (3);

(ii) the amount of real property taxes actually paid; or

(iii) 20% of gross rent actually paid.

(3) No claim shall be allowed if the claimant is a tenant of an owner of real property exempt from real property taxes.

(c) Apportionment and public assistance.--

(1) If any of the following exist relating to a claim:

(i) a homestead is owned or rented and occupied for only a portion of a year or is owned or rented in part by a person who does not meet the qualifications for a claimant, exclusive of any interest owned or leased by a claimant's spouse;
the claimant is a widow or widower who
remarries; or

(iii) the claimant is a formerly disabled person who
is no longer disabled,

the department shall apportion the real property taxes or
rent in accordance with the period or degree of ownership or
leasehold or eligibility of the claimant in determining the
amount of rebate for which a claimant is eligible.

(2) A claimant who receives public assistance from the
Department of Human Services shall not be eligible for rent
rebate in lieu of property taxes during those months within
which the claimant receives public assistance.

(d) Government subsidies.--Rent shall not include subsidies
provided by or through a governmental agency.

Section 1405. Filing of claim.

(a) General rule.--Except as otherwise provided in
subsection (b), a claim for property tax or rent rebate shall be
filed with the department on or before the 30th day of June of
the year next succeeding the end of the calendar year in which
real property taxes or rent was due and payable.

(b) Exception.--A claim filed after the June 30 deadline
until December 31 of such calendar year shall be accepted by the
secretary as long as funds are available to pay the benefits to
the late filing claimant.

(c) Payments from State Lottery Fund.--No reimbursement on a
claim shall be made from the State Lottery Fund earlier than the
day following the 30th day of June provided in this chapter on
which that claim may be filed with the department.

(d) Eligibility of claimants.--

(1) Only one claimant from a homestead each year shall
be entitled to the property tax or rent rebate.

(2) If two or more persons are able to meet the qualifications for a claimant, they may determine who the claimant shall be.

(3) If they are unable to agree, the department shall determine to whom the rebate is to be paid.

Section 1406. Proof of claim.

(a) Contents.--Each claim shall include:

(1) Reasonable proof of household income.

(2) The size and nature of the property claimed as a homestead.

(3) The rent, tax receipt or other proof that the real property taxes on the homestead have been paid or rent in connection with the occupancy of a homestead has been paid.

(4) If the claimant is a widow or widower, a declaration of such status in such manner as prescribed by the secretary.

(b) Proof of disability.--

(1) Proof that a claimant is eligible to receive disability benefits under the Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.) shall constitute proof of disability under this chapter.

(2) No person who has been found not to be disabled by the Social Security Administration shall be granted a rebate under this chapter.

(3) A claimant not covered under the Social Security Act shall be examined by a physician designated by the department and such status determined using the same standards used by the Social Security Administration.

(c) Direct payment of taxes or rent not required.--It shall not be necessary that such taxes or rent were paid directly by
the claimant if the rent or taxes have been paid when the claim
is filed.

(d) Proof of age on first claim.--The first claim filed
shall include proof that the claimant or the claimant's spouse
was at least 65 years of age, or at least 50 years of age in the
case of a widow or widower during the calendar year in which
real property taxes or rent were due and payable.

Section 1407. Incorrect claim.

Whenever on audit of a claim the department finds the claim
to have been incorrectly determined, it shall redetermine the
correct amount of the claim and notify the claimant of the
reason for the redetermination and the amount of the corrected
claim.

Section 1408. Funds for payment of claims.

(a) Payment.--Approved claims shall be paid from the State
Lottery Fund established by the act of August 26, 1971 (P.L.351,
No.91), known as the State Lottery Law.

(b) Transfers.--The Secretary of the Budget shall transfer
the following amounts from the Property Tax Relief Fund to the
State Lottery:

1. Notwithstanding any other provision of law, an
   amount equal to $100,000,000 of the total slot machine
   license fees paid by successful applicants for a Category 1
   slot machine license under 4 Pa.C.S. § 1209 (relating to slot
   machine license fee). The transfer under this paragraph shall
   occur upon deposit in the Property Tax Relief Fund of moneys
   derived from the fee from the fourth successful applicant for
   a Category 1 slot machine license.

2. Notwithstanding any other provision of law, an
   amount equal to $100,000,000 of the total slot machine
license fees paid by successful applicants for a Category 2 slot machine license under 4 Pa.C.S. § 1209. The transfer under this paragraph shall occur upon deposit in the Property Tax Relief Fund of moneys derived from the fee from the third successful applicant for a Category 2 slot machine license.

(3) For fiscal years 2007-2008 and 2008-2009, an amount equal to the sum of approved claims to be paid in each of those fiscal years under sections 704 of the Taxpayer Relief Act and 1404(a)(2)(ii), if any.

(4) For fiscal year 2009-2010 and each fiscal year thereafter, all of the following:

(i) The difference between the sum of the amount of approved claims to be paid in the next fiscal year under section 1404(a)(2)(i) and (3) and the amount of approved claims paid in fiscal year 2006-2007 under section 1404(a)(1).

(ii) The sum of the amount of approved claims to be paid in the next fiscal year under sections 704 of the Taxpayer Relief Act and 1404(a)(2)(ii), if any.

(5) Beginning in fiscal year 2009-2010 and until the difference between the sum of subparagraphs (i) and (ii) and $200,000,000 is paid, an amount of not less than $40,000,000 annually or the amount of the difference, whichever is less. All transfers under this paragraph shall be completed no later than four years after the transfer required by paragraph (2).

(i) The difference between the sum of the amount of approved claims to be paid in fiscal year 2007-2008 under section 1404(a)(2)(i) and (3) and the amount of approved claims paid in fiscal year 2006-2007 under section
1404(a)(1).

(ii) The difference between the sum of the amount of approved claims to be paid in fiscal year 2008-2009 under section 1404(a)(2)(i) and (3) and the amount of approved claims paid in fiscal year 2006-2007 under section 1404(a)(1).

Section 1409. Claim forms and rules and regulations.

(a) General rule.--Necessary rules and regulations shall be prescribed by a committee consisting of the Secretary of Aging, the Secretary of Revenue and the Secretary of Community and Economic Development. The Secretary of Aging shall serve as the chairman of the committee. The department shall receive all applications, determine the eligibility of claimants, hear appeals, disburse payments and make available suitable forms for the filing of claims.

(b) Report to General Assembly.--In addition to any rules and regulations prescribed under subsection (a), the department shall collect the following information and issue a report including such information to the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives by September 30 of each year:

(1) The total number of claims which will be paid in the fiscal year in which the report is issued with the information provided by school district, by county and for each household income level under section 1404(a)(2)(i).

(2) The total amount of rebates paid in the fiscal year in which the report is issued with the information provided by school district, by county and for each household income
Section 1410. Fraudulent claims and conveyances to obtain benefits.

(a) Civil penalty.--In any case in which a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full, and a penalty of 25% of the amount claimed shall be imposed. The penalty and the amount of the disallowed claim, if the claim has been paid, shall bear interest at the rate of 1.5% per month from the date of the claim until repaid.

(b) Criminal penalty.--The claimant and any person who assisted in the preparation or filing of a fraudulent claim commits a misdemeanor of the third degree and, upon conviction thereof, shall be sentenced to pay a fine not exceeding $1,000 or to imprisonment not exceeding one year, or both.

(c) Disallowance for receipt of title.--A claim shall be disallowed if the claimant received title to the homestead primarily for the purpose of receiving property tax rebate.

Section 1411. Petition for redetermination.

(a) Right to file.--A claimant whose claim is either denied, corrected or otherwise adversely affected by the department may file with the department a petition for redetermination on forms supplied by the department within 90 days after the date of mailing of written notice by the department of such action.

(b) Contents.--The petition shall set forth the grounds upon which the claimant alleges that such departmental action is erroneous or unlawful, in whole or part, and shall contain an affidavit or affirmation that the facts contained in the petition are true and correct.

(c) Extension of time for filing.--
An extension of time for filing the petition may be allowed for cause but may not exceed 120 days.

The department shall hold such hearings as may be necessary for the purpose of redetermination, and each claimant who has duly filed such petition for redetermination shall be notified by the department of the time when and the place where such hearing in the claimant's case will be held.

(d) Time period for decision.--The department shall, within six months after receiving a filed petition for redetermination, dispose of the matters raised by such petition and shall mail notice of the department's decision to the claimant.

Section 1412. Review by Board of Finance and Revenue.

(a) Right to review.--Within 90 days after the date of official receipt by the claimant of notice mailed by the department of its decision on a petition for redetermination filed with it, the claimant who is adversely affected by the decision may by petition request the board to review such action.

(b) Effect of no decision from department.--The failure of the department to officially notify the claimant of a decision within the six-month period provided for by section 1411 shall act as a denial of the petition, and a petition for review may be filed with the board within 120 days after written notice is officially received by the claimant that the department has failed to dispose of the petition within the six-month period.

(c) Contents of petition for redetermination.--A petition for redetermination filed shall state the reasons upon which the claimant relies or shall incorporate by reference the petition for redetermination in which such reasons were stated. The petition shall be supported by affidavit that the facts set
forth therein are correct and true.

(d) Time period for decision.--The board shall act in disposition of petitions filed with it within six months after they have been received, and, in the event of failure of the board to dispose of any petition within six months, the action taken by the department upon the petition for redetermination shall be deemed sustained.

(e) Relief authorized by board.--The board may sustain the action taken by the department on the petition for redetermination or it may take such other action as it shall deem necessary and consistent with provisions of this chapter.

(f) Form of notice.--Notice of the action of the board shall be given by mail to the department and to the claimant.

Section 1413. Appeal.

A claimant aggrieved by a decision of the board may appeal from the decision of the board in the manner provided by law for appeals from decisions of the board in tax cases.

CHAPTER 15
MISCELLANEOUS PROVISIONS

Section 1501. Transitional provision.

(a) Sales and use tax.--Notwithstanding the repeal specified under section 1505(b)(6), the department shall have the authority to enforce the collection of taxes imposed for transactions that occur prior to the effective date of this section under former Article II of the Tax Reform Code of 1971. The taxes collected on or after January 1, 2018, regardless of the transaction date, shall be deposited as provided in section 782.

(b) Other taxes.--Notwithstanding the repeal specified under section 1505(b)(2), a governing body shall have the authority to
enforce, after the effective date of the repeal, the collection of taxes levied and assessed under the former provision prior to the effective date of section 1505(b)(2).

Section 1502. Regulations.

The department shall have jurisdiction over and shall promulgate regulations as necessary for the proper administration of this act.

Section 1503. Construction.

Any and all references in any other act to Article II or any provision in Article II of the Tax Reform Code of 1971 shall be deemed a reference to Chapter 7 of this act or the corresponding provisions in Chapter 7 of this act.

Section 1504. Severability.

The provisions of this act are severable as follows:

(1) If any provision of this act is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

(2) Under no circumstances shall the invalidity of any provision or application of this act affect the validity of any provision in this act that abolishes the power of the governing body and any school district and city of the first class or any other political subdivision to levy, assess or collect a tax on any interest in real property for school purposes.

Section 1505. Repeals.

(a) Intent.--The General Assembly declares that the repeals under subsection (b) are necessary to effectuate this act.

(b) Provisions.--The following acts and parts of acts are repealed to the extent specified:
(1) Section 631 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, is repealed.

(2) Any provision of the Public School Code of 1949 and of any other law relating to the authority of any school district to levy, assess and collect any tax on real property and the power of any city of the first class to levy, assess and collect any tax real property for school purposes is repealed upon the expiration of the respective schedule prescribed in this act.

(3) Any provision of the act of the Public School Code of 1949 and any other law relating to debt is repealed to the extent that it is inconsistent with this act.

(4) Any provision of the Public School Code of 1949 and any home rule charter adopted pursuant thereto is repealed insofar as it is inconsistent with this act.

(5) Any provision of the act of August 9, 1963 (P.L.643, No.341), known as the First Class City Public Education Home Rule Act, and any home rule school district charter adopted pursuant thereto is repealed insofar as it is inconsistent with this act.

(6) Article II of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, is repealed.

(7) Subchapters C and D of Chapter 3 and Chapter 13 of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, are repealed.

(8) All acts and parts of acts that are inconsistent with this act are repealed to the extent of such inconsistency.

Section 1506. Applicability.

Chapter 7 and section 1505(b)(6) shall apply January 1, 2018.
Section 1507. Effective date.

This act shall take effect as follows:

(1) Chapter 3 and section 1505(b)(2) shall take effect June 30, 2018.

(2) Chapter 4 shall take effect January 1, 2018.

(3) The remainder of this act shall take effect immediately.