

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 819

Session of
1975

INTRODUCED BY DREIBELBIS, O'DONNELL, McLANE AND WANSACZ,
MARCH 18, 1975

REFERRED TO COMMITTEE ON FINANCE, MARCH 19, 1975

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for a permanent tax exemption number
11 for school districts.

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

14 Section 1. Subsection (c) of section 237, act of March 4,
15 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," is
16 amended to read:

17 Section 237. Collection of Tax.--* * *

18 (c) Exemption Certificates. If the tax does not apply to the
19 sale or lease of tangible personal property or services, the
20 purchaser or lessee shall furnish to the vendor a certificate
21 indicating that the sale is not legally subject to the tax. The
22 certificate shall be in substantially such form as the

1 department may, by regulation, prescribe. Where the tangible
2 personal property or service is of a type which is never subject
3 to the tax imposed or where the sale or lease is in interstate
4 commerce, such certificate need not be furnished. Where a series
5 of transactions are not subject to tax, a purchaser or user may
6 furnish the vendor with a single exemption certificate in
7 substantially such form and valid for such period of time as the
8 department may, by regulation, prescribe. The department shall
9 provide all school districts with a permanent tax exemption
10 number. An exemption certificate, which is complete and regular
11 and on its face discloses a valid basis of exemption if taken in
12 good faith, shall relieve the vendor from the liability imposed
13 by this section. An exemption certificate accepted by a vendor
14 from a natural person domiciled within this Commonwealth or any
15 association, fiduciary, partnership, corporation or other
16 entity, either authorized to do business within this
17 Commonwealth or having an established place of business within
18 this Commonwealth, in the ordinary course of the vendor's
19 business, which on its face discloses a valid basis of exemption
20 consistent with the activity of the purchaser and character of
21 the property or service being purchased, shall be presumed to be
22 taken in good faith and the burden of proving otherwise shall be
23 on the Department of Revenue.

24 * * *

25 Section 2. This act shall take effect immediately.