

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL  
No. 2523 Session of  
1980

INTRODUCED BY DORR, SCHWEDER, GEIST, MILLER AND BELARDI,  
MAY 7, 1980

REFERRED TO COMMITTEE ON FINANCE, MAY 7, 1980

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," adding a definition of "charitable organization."

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

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

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

20 \* \* \*

21 (t) "Charitable organization." A group or body of persons

1 which is created and which exists for the purpose of performing  
2 a humane service; promoting the good and welfare of the aged,  
3 poor, infirm or distressed; combating juvenile delinquency;  
4 advancing the spiritual, mental, social and physical improvement  
5 of young men and women; or teaching high school students the  
6 principles of the American free enterprise system. A group or  
7 body of persons shall not be considered a charitable  
8 organization if the persons entitled to benefit from services  
9 performed by such organization must be chosen from a class of  
10 persons insubstantial and predetermined in number, if the funds  
11 of such organization are derived from sources other than public  
12 or private contributions and if the organization is operated  
13 with pecuniary benefit to any officer, member or shareholder,  
14 except as reasonable compensation for actual services rendered  
15 to the organization or except as the receipt of inconsequential  
16 pecuniary benefit may be incidental to a course of instruction  
17 on the principles of the American free enterprise system.

18       Section 2. This act shall take effect in 60 days.