

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 926

Session of  
1985

INTRODUCED BY HUTCHINSON, APRIL 16, 1985

REFERRED TO COMMITTEE ON FINANCE, APRIL 16, 1985

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 an exemption from the utilities  
11 gross receipts tax; exempting moneys received from  
12 municipalities from utilities' gross receipts and taxes  
13 thereon; and imposing an obligation resulting from the  
14 exemption.

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

17 Section 1. Section 1101(a) of the act of March 4, 1971  
18 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended  
19 December 11, 1979 (P.L.499, No.107), is amended to read:

20 Section 1101. Imposition of Tax.--(a) General Rule.--Every  
21 railroad company, pipeline company, conduit company, steamboat  
22 company, canal company, slack water navigation company,  
23 transportation company except a nonscheduled air carrier of

1 freight or passengers, and every other company, association,  
2 joint-stock association, or limited partnership, now or  
3 hereafter incorporated or organized by or under any law of this  
4 Commonwealth, or now or hereafter organized or incorporated by  
5 any other state or by the United States or any foreign  
6 government, and doing business in this Commonwealth, and every  
7 copartnership, person or persons owning, operating or leasing to  
8 or from another corporation, company, association, joint-stock  
9 association, limited partnership, copartnership, person or  
10 persons, any railroad, pipeline, conduit, steamboat, canal,  
11 slack water navigation, or other device for the transportation  
12 of freight, passengers, baggage, or oil, except taxicabs, motor  
13 buses and motor omnibuses, and every limited partnership,  
14 association, joint-stock association, corporation or company  
15 engaged in, or hereafter engaged in, the transportation of  
16 freight or oil within this State, and every telephone company,  
17 telegraph company, express company, gas company, palace car  
18 company and sleeping car company, now or hereafter incorporated  
19 or organized by or under any law of this Commonwealth, or now or  
20 hereafter organized or incorporated by any other state or by the  
21 United States or any foreign government and doing business in  
22 this Commonwealth, and every limited partnership, association,  
23 joint-stock association, copartnership, person or persons,  
24 engaged in telephone, telegraph, express, gas, palace car or  
25 sleeping car business in this Commonwealth, shall pay to the  
26 State Treasurer, through the Department of Revenue, a tax of  
27 forty-five mills upon each dollar of the gross receipts of the  
28 corporation, company or association, limited partnership, joint-  
29 stock association, copartnership, person or persons, received  
30 from passengers, baggage, and freight transported wholly within

1 this State, from telegraph or telephone messages transmitted  
2 wholly within this State, from express, palace car or sleeping  
3 car business done wholly within this State, or from the sales of  
4 gas, except gross receipts derived from sales to any  
5 municipality owned or operated public utility and except gross  
6 receipts derived from the sales for resale, to persons,  
7 partnerships, associations, corporations or political  
8 subdivisions subject to the tax imposed by this act upon gross  
9 receipts derived from such resale and from the transportation of  
10 oil done wholly within this State. The gross receipts of public  
11 utilities shall not include any moneys received from municipal  
12 customers. For purposes of this act, municipal customers shall  
13 mean a municipal government which purchases public utility  
14 services for municipal use and shall not include purchases by a  
15 municipality for resale unless such resale is subject to the tax  
16 imposed by this act upon the gross receipts derived from such  
17 resale. The gross receipts of gas companies shall include the  
18 gross receipts from the sale of artificial and natural gas, but  
19 shall not include gross receipts from the sale of liquefied  
20 petroleum gas.

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22 Section 2. This act shall apply to tax years commencing on  
23 and after January 1, 1986.

24 Section 3. All public utilities which provide service to  
25 municipal customers shall, within 60 days of the effective date  
26 of this amendatory act, file applications with the Public  
27 Utility Commission to reduce rates to municipal customers. The  
28 applications shall reflect the elimination of the tax on gross  
29 receipts provided for by this amendatory act.

30 Section 4. This act shall take effect in 30 days.