

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2621

Session of
1990

INTRODUCED BY BATTISTO, BROUJOS, FARGO, COY, SCHULER,
D. R. WRIGHT, NAILOR, KASUNIC, STISH, BELFANTI, SEMMEL,
CARLSON, VAN HORNE, TIGUE, ANGSTADT, STABACK, SAURMAN,
S. H. SMITH, G. SNYDER, FOX, MERRY, HERMAN, SERAFINI, MORRIS,
CLYMER, NOYE, JOHNSON, PESCI, BUNT, TANGRETTI AND BARLEY,
MAY 30, 1990

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, SEPTEMBER 26, 1990

AN ACT

1 Excluding the sale of recyclable material from municipal
2 personal property sale restrictions AND FROM THE SALES TAX; <—
3 AND PROVIDING FOR CERTAIN TAX CREDITS IN RELATION TO
4 NEWSPRINT AND DE-INKING PLANTS.

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

7 SECTION 1. DEFINITIONS. <—

8 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
9 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
10 CONTEXT CLEARLY INDICATES OTHERWISE:

11 "MUNICIPALITY." ANY COUNTY, CITY, BOROUGH, INCORPORATED
12 TOWN, TOWNSHIP OR HOME RULE MUNICIPALITY.

13 "TAX REFORM CODE OF 1971." THE ACT OF MARCH 4, 1971 (P.L.6,
14 NO.2).

15 Section 4 2. Exclusion. <—

16 A municipality shall not be subject to requirements otherwise

1 imposed by law for the sale of personal property owned by the
2 municipality when selling recyclable material or material
3 separated, collected, recovered or created by recycling.

4 ~~Section 2. Definitions.~~ <—

5 ~~The following words and phrases when used in this act shall~~
6 ~~have the meanings given to them in this section unless the~~
7 ~~context clearly indicates otherwise:~~

8 ~~"Municipality." Any county, city, borough, incorporated~~
9 ~~town, township or home rule municipality.~~

10 ~~Section 3. Effective date.~~

11 ~~This act shall take effect immediately.~~

12 SECTION 3. EXEMPTION FROM SALES TAX. <—

13 THE SALE, BY A MUNICIPALITY, OF RECYCLABLE MATERIALS OR
14 MATERIAL SEPARATED, COLLECTED, RECOVERED OR CREATED BY
15 RECYCLING, SHALL NOT BE SUBJECT TO THE TAX IMPOSED BY ARTICLE II
16 OF THE TAX REFORM CODE OF 1971.

17 SECTION 4. TAX CREDIT FOR USE OF RECYCLED NEWSPRINT.

18 (A) UP TO 49%.--A CORPORATION PUBLISHING A NEWSPAPER SHALL
19 BE ENTITLED TO TAX CREDITS, AGAINST THE TAXES IMPOSED UNDER
20 ARTICLES IV AND VI OF THE TAX REFORM CODE OF 1971, OF AN AMOUNT
21 IN THE CASE OF EACH TAX, EQUAL TO 5% OF THE COST OF RECYCLED
22 NEWSPRINT IF 49% OR LESS OF THE NEWSPRINT IT USES IS RECYCLED
23 NEWSPRINT DURING THE RESPECTIVE TAX YEAR.

24 (B) FIFTY PERCENT OR MORE.--THE TAX CREDITS DESCRIBED IN
25 SUBSECTION (A) SHALL BE EQUAL TO 10% OF THE COST OF RECYCLED
26 NEWSPRINT IF THE NEWSPAPER USES 50% OR MORE RECYCLED NEWSPRINT
27 DURING THE RESPECTIVE TAX YEAR.

28 SECTION 5. TAX CREDIT FOR ESTABLISHING DE-INKING PLANT.

29 A CORPORATION SHALL BE ENTITLED TO TAX CREDITS AGAINST THE
30 TAXES IMPOSED UNDER ARTICLES IV AND VI OF THE TAX REFORM CODE OF

1 1971 IN AN AMOUNT, IN THE CASE OF EACH TAX, EQUAL TO 10% OF THE
2 CAPITAL COSTS OF ESTABLISHING A NEWSPRINT DE-INKING PLANT, WHICH
3 ARE INCURRED BY THE CORPORATION DURING THE RESPECTIVE TAX YEAR.

4 SECTION 6. USE OF CREDITS.

5 THE TAX CREDITS AVAILABLE UNDER SECTIONS 4 AND 5 MAY BE
6 UTILIZED FOR THE TAX YEAR DURING WHICH THE QUALIFYING
7 EXPENDITURE WAS MADE AND, TO THE EXTENT NOT UTILIZED, CARRIED
8 OVER FOR UP TO THREE ADDITIONAL CONSECUTIVE TAX YEARS BY THE
9 TAXPAYER AND SHALL THEREAFTER EXPIRE.

10 SECTION 7. APPLICATION OF TAX CREDIT PROVISIONS.

11 SECTIONS 4 AND 5 SHALL APPLY TO CORPORATE TAX YEARS NEXT
12 COMMENCING AFTER THE EFFECTIVE DATE OF THIS ACT, AND TO EACH TAX
13 YEAR THEREAFTER.

14 SECTION 8. EFFECTIVE DATE.

15 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.