

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 239 Session of
1993

INTRODUCED BY CLYMER, GEIST, E. Z. TAYLOR, S. H. SMITH,
LAUGHLIN, CORNELL, BIRMELIN, GANNON, LEH, GERLACH, SAURMAN
AND CIVERA, FEBRUARY 8, 1993

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 8, 1993

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," further defining "purchase price."

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

13 Section 1. Section 201(g)(6) of the act of March 4, 1971
14 (P.L.6, No.2), known as the Tax Reform Code of 1971, added
15 December 13, 1991 (P.L.373, No.40), is amended 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 (g) "Purchase price."

1 * * *

2 (6) The purchase price of employment agency services and
3 help supply services shall be the service fee paid by the
4 purchaser to the vendor or supplying entity. The term "service
5 fee," as used in this subclause, shall be the total charge or
6 fee of the vendor or supplying entity minus the costs of the
7 supplied employee which costs are wages, salaries, bonuses and
8 commissions, employment benefits, expense reimbursements and
9 payroll and withholding taxes, to the extent that these costs
10 are specifically itemized or that these costs in aggregate are
11 stated in billings from the vendor or supplying entity. To the
12 extent that these costs are not itemized or stated on the
13 billings, then the service fee shall be the total charge or fee
14 of the vendor or supplying entity. In the case of any help
15 supply service with respect to which no separate service fee is
16 customarily charged by the vendor, the purchase price is deemed
17 to be twenty-five per cent of gross sales of that service.

18 * * *

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