
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 110 Session of
1997

INTRODUCED BY MOWERY, SALVATORE, GERLACH AND CORMAN,
JANUARY 21, 1997

REFERRED TO FINANCE, JANUARY 21, 1997

AN ACT

1 Establishing the Legislative Tax Commission to study the impact
2 of the taxation of business services, to recommend a business
3 services taxation policy, to provide guidance for the
4 adoption of a general taxing policy and to update these
5 policies annually.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Legislative
10 Tax Commission Act.

11 Section 2. Statement of purpose.

12 As the cost of maintaining government services to the
13 citizens of this Commonwealth has risen sharply in the past few
14 years, resulting in increasing taxes which create impediments to
15 the existence of job opportunities and businesses in this
16 Commonwealth, the General Assembly hereby declares that it is
17 the purpose of this act to provide the General Assembly with the
18 advice and recommendations of those affected by taxing. It is
19 further the purpose of this act to develop a policy with respect

1 to taxation in general and the taxing of services specifically
2 by utilizing the expertise of individuals and businesses
3 affected by the implementation of a taxing policy.

4 Section 3. 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 "Commission." The Legislative Tax Commission established in
9 section 4.

10 Section 4. Establishment of commission.

11 There is hereby established a legislative advisory body to be
12 known as the Legislative Tax Commission.

13 Section 5. Powers and duties.

14 (a) General rule.--The commission shall:

15 (1) Study the impact of the taxation of business
16 services.

17 (2) Recommend a taxing policy regarding the taxation of
18 business services.

19 (3) Provide guidance in the adoption of a general taxing
20 policy.

21 (4) Update these policies annually to ensure this
22 Commonwealth's competitiveness regarding the creation and
23 retention of job opportunities through the attraction, growth
24 and expansion of new businesses.

25 (b) Reports.--The commission shall report its
26 recommendations to the General Assembly as follows:

27 (1) No later than six months after the effective date of
28 this act, a report on the effect of the service taxes imposed
29 by the act of August 4, 1991 (P.L.97, No.22), entitled "An
30 act amending the act of March 4, 1971 (P.L.6, No.2), entitled

1 'An act relating to tax reform and State taxation by
2 codifying and enumerating certain subjects of taxation and
3 imposing taxes thereon; providing procedures for the payment,
4 collection, administration and enforcement thereof; providing
5 for tax credits in certain cases; conferring powers and
6 imposing duties upon the Department of Revenue, certain
7 employers, fiduciaries, individuals, persons, corporations
8 and other entities; prescribing crimes, offenses and
9 penalties,' further providing for the imposition of sales and
10 use tax on certain services and for the reissuance of sales
11 and use tax licenses; providing for the increase of personal
12 income tax, for poverty exemptions to the tax, for notice of
13 certain sales and transfers and for the withholding of
14 certain tax on shares; further providing for the imposition,
15 rate and collection of corporate net income tax and capital
16 stock and franchise tax; further providing for the collection
17 of bank shares tax, insurance premiums tax, and title
18 insurance and trust companies tax; extending the utilities
19 gross receipts tax; further providing for the collection of
20 the public utility realty tax; increasing the rate of the
21 cigarette tax; imposing a cigarette floor tax; further
22 providing for commissions for cigarette tax agents, and
23 dedicating a portion of the revenues for agricultural
24 farmland preservation and children's health care; further
25 providing for imposition, collection and administration of
26 tax on property passing upon death; further providing for the
27 reports and payments of certain estimated taxes; and making
28 repeals."

29 (2) No later than April 30 of the year following passage
30 of this act, recommendations for legislation on the

1 institution of a general taxing policy by the General
2 Assembly.

3 (3) No later than April 30 of each year after the
4 effective date of this act, a report on the effect of this
5 Commonwealth's general taxing policy and recommendations for
6 an updating of that policy.

7 Section 6. Commission members.

8 (a) Number.--There shall be 18 members appointed to the
9 commission.

10 (b) Interests represented.--Members shall be appointed in a
11 manner which gives wide representation of the various geographic
12 regions of this Commonwealth. Members shall represent the
13 academic, financial, labor, manufacturing, business services,
14 transportation, wholesale, retail, public utility, construction
15 industry and legal communities of this Commonwealth.

16 (c) Appointment.--Members shall be appointed as follows:

17 (1) The President pro tempore of the Senate shall
18 appoint one representative from each of the following groups:

19 (i) The academic community.

20 (ii) The financial community.

21 (iii) The labor community.

22 (iv) The manufacturing community.

23 (v) The Pennsylvania Bar Association.

24 (2) The Speaker of the House of Representatives shall
25 appoint a certified public accountant and one representative
26 from each of the following groups:

27 (i) The academic community.

28 (ii) The financial community.

29 (iii) The labor community.

30 (iv) The manufacturing community.

1 (3) The Minority Leader of the Senate shall appoint one
2 representative from each of the following groups:

3 (i) The transportation community.

4 (ii) The wholesale community.

5 (iii) The business services community.

6 (iv) The public utilities community.

7 (4) The Minority Leader of the House of Representatives
8 shall appoint one representative from each of the following
9 groups:

10 (i) The construction industry community.

11 (ii) The retail community.

12 (iii) The nonprofit organization community.

13 (iv) The public utilities community.

14 (d) Terms.--Each commission member's term shall be
15 coterminous with the term of office of the appointing official.

16 (e) Chairperson.--The commission shall elect a chairperson
17 at its first regularly scheduled meeting after the effective
18 date of this act and annually thereafter. Election shall be by
19 majority vote.

20 (f) Compensation.--No compensation shall be paid to a
21 commission member other than reimbursement for actual expenses
22 incurred.

23 Section 7. Commission meetings.

24 (a) Frequency.--The commission shall meet at least four
25 times a year. It may meet more often if necessary to complete
26 its agenda or to respond to requests of the Majority Leader of
27 the Senate and Majority Leader of the House of Representatives
28 and the Minority Leader of the Senate and Minority Leader of the
29 House of Representatives concerning the impact of any tax
30 proposals.

1 (b) Quorum.--To transact its business, a quorum of the
2 commission shall be present. A quorum consists of eight members.

3 Section 8. Administration.

4 The Joint State Government Commission shall provide
5 sufficient staff and other administrative support to the
6 Legislative Tax Commission to assist it in carrying out its
7 duties.

8 Section 9. Expiration.

9 This act shall expire December 31, 2000.

10 Section 10. Effective date.

11 This act shall take effect in 60 days.