

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2331 Session of
2000

INTRODUCED BY ARMSTRONG, THOMAS, BENNINGHOFF, CAWLEY, CLARK,
COSTA, DAILEY, FLICK, GEORGE, HALUSKA, LEH, MAHER, MAITLAND,
MICHLOVIC, R. MILLER, ORIE, RAYMOND, RUBLEY, SAYLOR, SEYFERT,
SOLOBAY, STEELMAN, STEVENSON, STURLA, E. Z. TAYLOR, TIGUE,
WALKO, YOUNGBLOOD, M. COHEN, OLIVER, ROEBUCK AND BISHOP,
MARCH 14, 2000

REFERRED TO COMMITTEE ON FINANCE, MARCH 14, 2000

AN ACT

1 Providing for a streamlined sales tax system.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Streamlined
6 Sales Tax System for the 21st Century.

7 Section 2. Declaration of policy.

8 The General Assembly finds and declares as follows:

9 (1) State and local tax systems should treat
10 transactions in a competitively neutral manner.

11 (2) A simplified sales and use tax system that treats
12 all transactions in a competitively neutral manner will
13 strengthen and preserve the sales and use tax as vital State
14 and local revenue sources and preserve State fiscal
15 sovereignty.

1 (3) Remote sellers should not receive preferential tax
2 treatment at the expense of local main street merchants, nor
3 should such vendors be burdened with special, discriminatory
4 or multiple taxes.

5 (4) The State should simplify sales and use taxes to
6 reduce the administrative burden of collection.

7 (5) While states have the sovereign right to set their
8 own tax policies, states working together have the
9 opportunity to develop a simpler, more uniform and fairer
10 system of State sales and use taxation without Federal
11 Government mandates or interference.

12 Section 3. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Department." The Department of Revenue of the Commonwealth.

17 Section 4. Authorization to enter into multistate discussions.

18 (a) General rule.--The department shall enter into
19 discussions with states regarding development of a multistate,
20 voluntary, streamlined system for sales and use tax collection
21 and administration. These discussions shall focus on a system
22 that would have the capability to determine whether the
23 transaction is taxable or tax exempt, the appropriate tax rate
24 applied to the transaction and the total tax due on the
25 transaction and shall provide a method for collecting and
26 remitting sales and use taxes to the State. The system may
27 provide compensation for the costs of collecting and remitting
28 sales and use taxes. Discussions between the department and
29 other states may include, but are not limited to:

30 (1) The development of a Joint Request for Information

1 from potential public and private parties governing the
2 specifications for such a system.

3 (2) The mechanism for compensating parties for the
4 development and operation of such system.

5 (3) Establishment of minimum statutory simplification
6 measures necessary for State participation in such system.

7 (4) Measures to preserve confidentiality of taxpayer
8 information and privacy rights of consumers.

9 (b) Joint request.--Following these discussions, the
10 department may proceed to issue a Joint Request for Information.
11 Section 5. Confidentiality of taxpayer information.

12 Return information submitted to any party or parties acting
13 for and on behalf of the Commonwealth shall be treated as
14 confidential taxpayer information. Disclosure of confidential
15 taxpayer information necessary under section 4 shall be pursuant
16 to a written agreement between the department and the party or
17 parties. The party or parties shall be bound by the same
18 requirements of confidentiality as the department under the act
19 of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code,
20 and the act of March 4, 1971 (P.L.6, No.2), known as the Tax
21 Reform Code of 1971.

22 Section 6. Executive and legislative oversight.

23 The department shall provide quarterly reports to the
24 Governor, the President pro tempore of the Senate, the Minority
25 Leader of the Senate, the Speaker of the House of
26 Representatives and the Minority Leader of the House of
27 Representatives on the progress of multistate discussions.

28 Section 7. Final report to Governor and General Assembly.

29 By March 1, 2001, the department shall report to the
30 Governor, the President pro tempore of the Senate, the Minority

1 Leader of the Senate, the Speaker of the House of
2 Representatives and the Minority Leader of the House of
3 Representatives on the status of multistate discussions and, if
4 a proposed system has been agreed up on by participating states,
5 shall recommend whether the State should participate in the
6 system.

7 Section 8. Effective date.

8 This act shall take effect in 60 days.