

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 200** Session of
2003

INTRODUCED BY MUNDY, BELARDI, BISHOP, CAWLEY, CLYMER, CORRIGAN, COY, CRUZ, DAILEY, DALLY, DeWEESE, FAIRCHILD, FREEMAN, GORDNER, HARHAI, HERSHEY, HORSEY, LAUGHLIN, LEH, MAHER, McCALL, MELIO, NAILOR, READSHAW, ROSS, RUBLEY, RUFFING, SAINATO, SCAVELLO, SCRIMENTI, SEMMEL, B. SMITH, STABACK, SURRA, TANGRETTI, TIGUE, WALKO, WANSACZ, WATSON, YOUNGBLOOD, PISTELLA, ROBERTS, SHANER, MANDERINO, CURRY, CIVERA, WASHINGTON, PALLONE AND THOMAS, FEBRUARY 11, 2003

SENATOR THOMPSON, APPROPRIATIONS, IN SENATE, RE-REPORTED AS AMENDED, JULY 8, 2003

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 providing for exclusions from SALES AND ←
11 USE TAX AND FOR IMPOSITION AND EXPIRATION OF CAPITAL STOCK
12 AND FRANCHISE tax.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 204 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, is amended by
17 adding a paragraph to read:

18 Section 204. Exclusions from Tax.--The tax imposed by
19 section 202 shall not be imposed upon any of the following:

1 * * *

2 (64) The sale at retail to or use by a construction
3 contractor, employed by a public school district PURSUANT TO A <—
4 CONSTRUCTION CONTRACT, of any materials and building supplies,
5 other than heavy machinery or equipment, used in the <—
6 construction, reconstruction, remodeling, repairs and
7 maintenance of any WHICH, DURING CONSTRUCTION OR RECONSTRUCTION, <—
8 ARE MADE PART OF ANY public school building, facility or <—
9 structure UTILIZED FOR INSTRUCTIONAL CLASSROOM EDUCATION within <—
10 this Commonwealth.

11 ~~Section 2. This act shall take effect in 60 days.~~ <—

12 SECTION 2. SECTIONS 602(H) AND 607 OF THE ACT, AMENDED OR <—
13 ADDED JUNE 29, 2002 (P.L.559, NO.89), ARE AMENDED TO READ:

14 SECTION 602. IMPOSITION OF TAX.--* * *

15 (H) THE RATE OF TAX FOR PURPOSES OF THE CAPITAL STOCK AND
16 FRANCHISE TAX FOR TAXABLE YEARS BEGINNING WITHIN THE DATES SET
17 FORTH SHALL BE AS FOLLOWS:

TAXABLE YEAR	REGULAR RATE	SURTAX	TOTAL RATE
JANUARY 1, 1971, TO DECEMBER 31, 1986	10 MILLS	0	10 MILLS
JANUARY 1, 1987, TO DECEMBER 31, 1987	9 MILLS	0	9 MILLS
JANUARY 1, 1988, TO DECEMBER 31, 1990	9.5 MILLS	0	9.5 MILLS
JANUARY 1, 1991, TO DECEMBER 31, 1991	11 MILLS	2 MILLS	13 MILLS
JANUARY 1, 1992, TO DECEMBER 31, 1997	11 MILLS	1.75 MILLS	12.75 MILLS
JANUARY 1, 1998, TO DECEMBER 31, 1998	11 MILLS	.99 MILLS	11.99 MILLS

1	JANUARY 1, 1999, TO			
2	DECEMBER 31, 1999	10.99 MILLS	0	10.99 MILLS
3	JANUARY 1, 2000, TO			
4	DECEMBER 31, 2000	8.99 MILLS	0	8.99 MILLS
5	JANUARY 1, 2001, TO			
6	DECEMBER 31, 2001	7.49 MILLS	0	7.49 MILLS
7	[JANUARY 1, 2002, TO			
8	DECEMBER 31, 2002	7.24 MILLS	0	7.24 MILLS
9	JANUARY 1, 2003, TO			
10	DECEMBER 31, 2003	6.99 MILLS	0	6.99 MILLS
11	JANUARY 1, 2004, TO			
12	DECEMBER 31, 2004	5.99 MILLS	0	5.99 MILLS
13	JANUARY 1, 2005, TO			
14	DECEMBER 31, 2005	4.99 MILLS	0	4.99 MILLS
15	JANUARY 1, 2006, TO			
16	DECEMBER 31, 2006	3.99 MILLS	0	3.99 MILLS
17	JANUARY 1, 2007, TO			
18	DECEMBER 31, 2007	2.99 MILLS	0	2.99 MILLS
19	JANUARY 1, 2008, TO			
20	DECEMBER 31, 2008	1.99 MILLS	0	1.99 MILLS
21	JANUARY 1, 2009, TO			
22	DECEMBER 31, 2009	.99 MILLS	0	.99 MILLS]
23	<u>JANUARY 1, 2002, TO</u>			
24	<u>DECEMBER 31, 2003</u>	<u>7.24 MILLS</u>	<u>0</u>	<u>7.24 MILLS</u>
25	<u>JANUARY 1, 2004, TO</u>			
26	<u>DECEMBER 31, 2004</u>	<u>6.99 MILLS</u>	<u>0</u>	<u>6.99 MILLS</u>
27	<u>JANUARY 1, 2005, TO</u>			
28	<u>DECEMBER 31, 2005</u>	<u>5.99 MILLS</u>	<u>0</u>	<u>5.99 MILLS</u>
29	<u>JANUARY 1, 2006, TO</u>			
30	<u>DECEMBER 31, 2006</u>	<u>4.99 MILLS</u>	<u>0</u>	<u>4.99 MILLS</u>

1	<u>JANUARY 1, 2007, TO</u>			
2	<u>DECEMBER 31, 2007</u>	<u>3.99 MILLS</u>	<u>0</u>	<u>3.99 MILLS</u>
3	<u>JANUARY 1, 2008, TO</u>			
4	<u>DECEMBER 31, 2008</u>	<u>2.99 MILLS</u>	<u>0</u>	<u>2.99 MILLS</u>
5	<u>JANUARY 1, 2009, TO</u>			
6	<u>DECEMBER 31, 2009</u>	<u>1.99 MILLS</u>	<u>0</u>	<u>1.99 MILLS</u>
7	<u>JANUARY 1, 2010, TO</u>			
8	<u>DECEMBER 31, 2010</u>	<u>.99 MILLS</u>	<u>0</u>	<u>.99 MILLS</u>

9 * * *

10 SECTION 607. EXPIRATION.--THIS ARTICLE SHALL EXPIRE FOR
11 TAXABLE YEARS BEGINNING AFTER DECEMBER 31, [2009] 2010.

12 SECTION 3. SECTION 1711-B OF THE ACT, ADDED MAY 7, 1997
13 (P.L.85, NO.7), IS AMENDED TO READ:

14 SECTION 1711-B. REPORT TO GENERAL ASSEMBLY.--THE SECRETARY
15 SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY INDICATING
16 THE EFFECTIVENESS OF THE CREDIT PROVIDED BY THIS ARTICLE NO
17 LATER THAN MARCH 15 FOLLOWING THE YEAR IN WHICH THE CREDITS WERE
18 APPROVED. THE REPORT SHALL INCLUDE THE [NUMBER OF] NAMES OF ALL
19 TAXPAYERS UTILIZING THE CREDIT AS OF THE DATE OF THE REPORT AND
20 THE AMOUNT OF CREDITS APPROVED AND UTILIZED. THE REPORT MAY ALSO
21 INCLUDE ANY RECOMMENDATIONS FOR CHANGES IN THE CALCULATION OR
22 ADMINISTRATION OF THE CREDIT. IN ORDER TO UTILIZE A CREDIT UNDER
23 THIS ARTICLE, A TAXPAYER MUST SIGN A STATEMENT WAIVING
24 CONFIDENTIALITY FOR PURPOSES OF THIS SECTION.

25 SECTION 4. THE AMENDMENT OF SECTION 602(H) OF THE ACT SHALL
26 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2002.

27 SECTION 5. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

28 (1) THE ADDITION OF SECTION 204(64) OF THE ACT SHALL
29 TAKE EFFECT JANUARY 1, 2005.

30 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT

1 IMMEDIATELY.