AN ACT

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," in sales and use tax, further providing for definitions, for imposition of tax and for computation of tax, repealing provisions relating to exclusions from tax and further providing for alternate imposition of tax and credits and for transfers to Public Transportation Assistance Fund; and, in special taxing authority, further providing for special taxing authority.

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

Section 1. Section 201(a), (b)(4), (c)(5) and last clause, (d)(13), (f)(3) and last clause, (g)(1), (i)(4), (k)(4), (8) and (10), (o)(4), (6) and (8), (p), (t)(2) and (3), (x), (y), (z), (aa), (bb), (cc), (kk), (ll)(3), (nn), (pp)(10), (rr), (yy) and (ccc) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended June 28, 2019 (P.L.50, No.13),
are amended to read:

Section 201. Definitions.--The following words, terms and phrases when used in this Article II shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

(a) "Soft drinks." All nonalcoholic beverages, whether carbonated or not, such as soda water, ginger ale, coca cola, lime cola, pepsi cola, Dr. Pepper, fruit juice when plain or carbonated water, flavoring or syrup is added, carbonated water, orangeade, lemonade, root beer or any and all preparations, commonly referred to as "soft drinks," of whatsoever kind, and are further described as including any and all beverages, commonly referred to as "soft drinks," which are made with or without the use of any syrup. [The term "soft drinks" shall not include natural fruit or vegetable juices or their concentrates, or non-carbonated fruit juice drinks containing not less than twenty-five per cent by volume of natural fruit juices or of fruit juice which has been reconstituted to its original state, or natural concentrated fruit or vegetable juices reconstituted to their original state, whether any of the foregoing natural juices are frozen or unfrozen, sweetened or unsweetened, seasoned with salt or spice or unseasoned, nor shall the term "soft drinks" include coffee, coffee substitutes, tea, cocoa, natural fluid milk or non-carbonated drinks made from milk derivatives.]

(b) "Maintaining a place of business in this Commonwealth."

* * *

[(4) The term "maintaining a place of business in this Commonwealth" shall not include:

(i) Owning or leasing of tangible or intangible property by
a person who has contracted with an unaffiliated commercial printer for printing, provided that:
(A) the property is for use by the commercial printer; and 
(B) the property is located at the Pennsylvania premises of the commercial printer.
(ii) Visits by a person's employes or agents to the premises in this Commonwealth of an unaffiliated commercial printer with whom the person has contracted for printing in connection with said contract.
(c) "Manufacture." The performance of manufacturing, fabricating, compounding, processing or other operations, engaged in as a business, which place any tangible personal property in a form, composition or character different from that in which it is acquired whether for sale or use by the manufacturer, and shall include, but not be limited to--
* * *
(5) Research having as its objective the production of a new or an improved (i) product or utility service, or (ii) method of producing a product or utility service[, but in either case not including market research or research having as its objective the improvement of administrative efficiency].
* * *
[The term "manufacture" shall not include constructing, altering, servicing, repairing or improving real estate or repairing, servicing or installing tangible personal property, nor the producing of a commercial motion picture, nor the cooking, freezing or baking of fruits, vegetables, mushrooms, fish, seafood, meats, poultry or bakery products.]
* * *
(d) "Processing." The performance of the following
activities when engaged in as a business enterprise:

* * *

(13) The cooking or baking of bread, pastries, cakes, cookies, muffins and donuts when the person engaged in such activity sells such items at retail at locations that do not constitute an establishment from which ready-to-eat food and beverages are sold. [For purposes of this clause, a bakery, a pastry shop and a donut shop shall not be considered an establishment from which ready-to-eat food and beverages are sold.]

* * *

(f) "Purchase at retail."

* * *

(3) The obtaining for a consideration of those services described in subclauses (2), (3) and (4) of clause (k) of this section [other than for resale].

* * *

The term "purchase at retail" with respect to "liquor" and "malt or brewed beverages" shall include the purchase of "liquor" from any "Pennsylvania Liquor Store" by any person for any purpose, and the purchase of "malt or brewed beverages" from a "manufacturer of malt or brewed beverages," "distributor" or "importing distributor" by any person for any purpose, except purchases from a "manufacturer of malt or brewed beverages" by a "distributor" or "importing distributor" or purchases from an "importing distributor" by a "distributor" within the meaning of the "Liquor Code." The term ["purchase at retail" shall not include any purchase of "malt or brewed beverages" from a "retail dispenser" or any purchase of "liquor" or "malt or brewed beverages" from a person holding a "retail liquor...
license" within the meaning of and pursuant to the provisions of the "Liquor Code," but] shall include any purchase or acquisition of "liquor" or "malt or brewed beverages" other than pursuant to the provisions of the "Liquor Code."

(g) "Purchase price."

(1) The total value of anything paid or delivered, or promised to be paid or delivered, whether it be money or otherwise, in complete performance of a sale at retail or purchase at retail, as herein defined, without any deduction on account of the cost or value of the property sold, cost or value of transportation, cost or value of labor or service, interest or discount paid or allowed after the sale is consummated, any other taxes imposed by the Commonwealth of Pennsylvania or any other expense [except that there shall be excluded any gratuity or separately stated deposit charge for returnable containers].

* * *

(i) "Resale."

* * *

[(4) The term "resale" shall not include any sale of "malt or brewed beverages" by a "retail dispenser," or any sale of "liquor" or "malt or brewed beverages" by a person holding a "retail liquor license" within the meaning of the "Liquor Code."]

* * *

(k) "Sale at retail."

* * *

(4) The rendition for a consideration of the service of repairing, altering, mending, pressing, fitting, dyeing, laundering, drycleaning or cleaning tangible personal property other than wearing apparel or shoes, or applying or installing
tangible personal property as a repair or replacement part of
other tangible personal property except wearing apparel or shoes
for a consideration, whether or not the services are performed
directly or by any means other than by coin-operated self-
service laundry equipment for wearing apparel or household goods
and whether or not any tangible personal property is transferred
in conjunction therewith[, except such services as are rendered
in the construction, reconstruction, remodeling, repair or
maintenance of real estate: Provided, however, That this
subclause shall not be deemed to impose tax upon such services
in the preparation for sale of new items which are excluded from
the tax under clause (26) of section 204, or upon diaper
service].

(8) Any retention of possession, custody or a license to use
or consume tangible personal property or any further obtaining
of services described in subclauses (2), (3) and (4) of this
clause pursuant to a rental or service contract or other
arrangement (other than as security).

[The term "sale at retail" shall not include (i) any such
transfer of tangible personal property or rendition of services
for the purpose of resale, or (ii) such rendition of services or
the transfer of tangible personal property including, but not
limited to, machinery and equipment and parts therefor and
supplies to be used or consumed by the purchaser directly in the
operations of--

(A) The manufacture of tangible personal property.

(B) Farming, dairying, agriculture, timbering, horticulture
or floriculture when engaged in as a business enterprise. The
term "farming" shall include the propagation and raising of
ranch raised fur-bearing animals and the propagation of game
birds for commercial purposes by holders of propagation permits issued under 34 Pa.C.S. (relating to game) and the propagation and raising of horses to be used exclusively for commercial racing activities. The term "timbering" shall include:

(1) The business of producing or harvesting trees from forests, woodlots or tree farms for the purpose of the commercial production of wood, paper or energy products derived from wood by a company primarily engaged in the business of harvesting trees.

(2) All operations prior to the transport of the harvested product necessary for the removal of timber or forest products from the site, in-field processing of trees into logs or chips, complying with environmental protection and safety requirements applicable to the harvesting of forest products, loading of forest products onto highway vehicles for transport to storage or processing facilities and postharvesting site reclamation, including those activities necessary to improve timber growth or ensure natural or direct reforestation of the site. The term shall not include the harvesting of trees for clearing land for access roads.

(C) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or maintaining the facilities which are directly used in producing, delivering or rendering such service.

(D) Processing as defined in clause (d) of this section.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to any vehicle required to be registered under The Vehicle Code, except those vehicles used directly by a public utility engaged in business as a common carrier; to maintenance facilities; or to materials, supplies or equipment
to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations therefor that may be affixed to such real estate.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in paragraphs (A), (B), (C) and (D) herein.

The exclusion provided in paragraph (C) shall not apply to (i) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by the purchaser in the production, delivering or rendition of public utility service, (ii) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain a building, road or similar structure, or (iii) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusions provided in paragraphs (A), (B), (C) and (D) shall not apply to the services enumerated in clauses (k)(11) through (18) and (w) through (kk), except that the exclusion provided in this subclause for farming, dairying and agriculture shall apply to the service enumerated in clause (z).]

* * *

(10) The term "sale at retail" with respect to "liquor" and "malt or brewed beverages" shall include the sale of "liquor" by any "Pennsylvania liquor store" to any person for any purpose,
and the sale of "malt or brewed beverages" by a "manufacturer of malt or brewed beverages," "distributor" or "importing distributor" to any person for any purpose, except sales by a "manufacturer of malt or brewed beverages" to a "distributor" or "importing distributor" or sales by an "importing distributor" to a "distributor" within the meaning of the "Liquor Code." [The term "sale at retail" shall not include any sale of "malt or brewed beverages" by a "retail dispenser" or any sale of "liquor" or "malt or brewed beverages" by a person holding a "retail liquor license" within the meaning of and pursuant to the provisions of the "Liquor Code," but shall include any sale of "liquor" or "malt or brewed beverages" other than pursuant to the provisions of the "Liquor Code."]

* * *

(o) "Use."

* * *

(4) The obtaining by a purchaser of the service of repairing, altering, mending, pressing, fitting, dyeing, laundering, drycleaning or cleaning tangible personal property other than wearing apparel or shoes or applying or installing tangible personal property as a repair or replacement part of other tangible personal property other than wearing apparel or shoes, whether or not the services are performed directly or by any means other than by means of coin-operated self-service laundry equipment for wearing apparel or household goods, and whether or not any tangible personal property is transferred to the purchaser in conjunction therewith, except such services as are obtained in the construction, reconstruction, remodeling, repair or maintenance of real estate. [Provided, however, That this subclause shall not be deemed to impose tax upon such
services in the preparation for sale of new items which are
excluded from the tax under clause (26) of section 204, or upon
diaper service: And provided further, That the term "use" shall
not include--

(A) Any tangible personal property acquired and kept,
retained or over which power is exercised within this
Commonwealth on which the taxing of the storage, use or other
consumption thereof is expressly prohibited by the Constitution
of the United States or which is excluded from tax under other
provisions of this article.

(B) The use or consumption of tangible personal property,
including but not limited to machinery and equipment and parts
therefor, and supplies or the obtaining of the services
described in subclauses (2), (3) and (4) of this clause directly
in the operations of--

(i) The manufacture of tangible personal property.

(ii) Farming, dairying, agriculture, timbering, horticulture
or floriculture when engaged in as a business enterprise. The
term "farming" shall include the propagation and raising of
ranch-raised furbearing animals and the propagation of game
birds for commercial purposes by holders of propagation permits
issued under 34 Pa.C.S. (relating to game) and the propagation
and raising of horses to be used exclusively for commercial
racing activities. The term "timbering" shall include:

(1) The business of producing or harvesting trees from
forests, woodlots or tree farms for the purpose of the
commercial production of wood, paper or energy products derived
from wood by a company primarily engaged in the business of
harvesting trees.

(2) All operations prior to the transport of the harvested
product necessary for the removal of timber or forest products from the site, in-field processing of trees into logs or chips, complying with environmental protection and safety requirements applicable to the harvesting of forest products, loading of forest products onto highway vehicles for transport to storage or processing facilities and postharvesting site reclamation, including those activities necessary to improve timber growth or ensure natural or direct reforestation of the site. The term shall not include the harvesting of trees for clearing land for access roads.

(iii) The producing, delivering or rendering of a public utility service, or in constructing, reconstructing, remodeling, repairing or maintaining the facilities which are directly used in producing, delivering or rendering such service.

(iv) Processing as defined in subclause (d) of this section.

The exclusions provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to any vehicle required to be registered under The Vehicle Code except those vehicles directly used by a public utility engaged in the business as a common carrier; to maintenance facilities; or to materials, supplies or equipment to be used or consumed in the construction, reconstruction, remodeling, repair or maintenance of real estate other than directly used machinery, equipment, parts or foundations therefor that may be affixed to such real estate. The exclusions provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to tangible personal property or services to be used or consumed in managerial sales or other nonoperational activities, nor to the purchase or use of tangible personal property or services by any person other than the person directly using the same in the operations described in subparagraphs (i), (ii), (iii) and (iv).
(iii) and (iv).

The exclusion provided in subparagraph (iii) shall not apply to (A) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain facilities not used directly by the purchaser in the production, delivering or rendition of public utility service or (B) tools and equipment used but not installed in the maintenance of facilities used directly in the production, delivering or rendition of a public utility service.

The exclusion provided in subparagraphs (i), (ii), (iii) and (iv) shall not apply to the services enumerated in clauses (o) (9) through (16) and (w) through (kk), except that the exclusion provided in subparagraph (ii) for farming, dairying and agriculture shall apply to the services enumerated in clause (z).]

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(6) The term "use" with respect to "liquor" and "malt or brewed beverages" shall include the purchase of "liquor" from any "Pennsylvania liquor store" by any person for any purpose and the purchase of "malt or brewed beverages" from a "manufacturer of malt or brewed beverages," "distributor" or "importing distributor" by any person for any purpose, [except purchases from a "manufacturer of malt or brewed beverages" by a "distributor" or "importing distributor," or purchases from an "importing distributor" by a "distributor" within the meaning of the "Liquor Code." The term "use" shall not include any purchase of "malt or brewed beverages" from a "retail dispenser" or any purchase of "liquor" or "malt or brewed beverages" from a person holding a "retail liquor license" within the meaning of and pursuant to the provisions of the "Liquor Code,"] but shall
include the exercise of any right or power incidental to the
ownership, custody or possession of "liquor" or "malt or brewed
beverages" obtained by the person exercising such right or power
in any manner other than pursuant to the provisions of the
"Liquor Code."

* * *

[(8) The term "use" shall not include the providing of a
motor vehicle to a nonprofit private or public school to be used
by such a school for the sole purpose of driver education.]

* * *

(p) "Vendor." Any person maintaining a place of business in
this Commonwealth, selling or leasing tangible personal
property, or rendering services, the sale or use of which is
subject to the tax imposed by this article, including a
marketplace facilitator and a marketplace seller[, but not
including any employe who in the ordinary scope of employment
renders services to his employer in exchange for wages and
salaries].

* * *

(t) "Transient vendor."

* * *

[(2) The term shall not include a person who delivers
tangible personal property within the Commonwealth pursuant to
orders for such property which were solicited or placed by mail
or other means.

(3) The term shall not include a person who handcrafts items
for sale at special events, including, but not limited to,
fairs, carnivals, art and craft shows and other festivals and
celebrations within this Commonwealth.]
(x) "Adjustment services, collection services or credit reporting services." Providing collection or adjustments of accounts receivable or mercantile or consumer credit reporting, including, but not limited to, services of the type provided by adjustment bureaus or collection agencies, consumer or mercantile credit reporting bureaus, credit bureaus or agencies, credit clearinghouses or credit investigation services. [Such services do not include providing credit card service with collection by a central agency, providing debt counseling or adjustment services to individuals or billing or collection services provided by local exchange telephone companies.]

(y) "Secretarial or editing services." Providing services which include, but are not limited to, editing, letter writing, proofreading, resume writing, typing or word processing. [Such services shall not include court reporting and stenographic services.]

(z) "Disinfecting or pest control services." Providing disinfecting, termite control, insect control, rodent control or other pest control services. Such services include, but are not limited to, deodorant servicing of rest rooms, washroom sanitation service, rest room cleaning service, extermination service or fumigating service. [As used in this clause, the term "fumigating service" shall not include the fumigation of agricultural commodities or containers used for agricultural commodities. As used in this clause, the term "insect control" shall not include the spraying of trees which are harvested for commercial purposes for gypsy moth control.]

(aa) "Building maintenance or cleaning services." Providing services which include, but are not limited to, janitorial, maid or housekeeping service, office or interior building cleaning or
maintenance service, window cleaning service, floor waxing service, lighting maintenance service such as bulb replacement, cleaning, chimney cleaning service, acoustical tile cleaning service, venetian blind cleaning, cleaning and maintenance of telephone booths or cleaning and degreasing of service stations. [This term shall not include repairs on buildings and other structures; nor shall this term include the maintenance or repair of boilers, furnaces and residential air conditioning equipment or parts thereof; the painting, wallpapering or applying other like coverings to interior walls, ceilings or floors; or the exterior painting of buildings.]

(b) "Employment agency services." Providing employment services to a prospective employer or employee [other than employment services provided by theatrical employment agencies and motion picture casting bureaus]. Such services shall include, but are not limited to, services of the type provided by employment agencies, executive placing services and labor contractor employment agencies other than farm labor.

(cc) "Help supply services." Providing temporary or continuing help where the help supplied is on the payroll of the supplying person or entity, but is under the supervision of the individual or business to which help is furnished. Such services include, but are not limited to, service of a type provided by labor and manpower pools, employe leasing services, office help supply services, temporary help services, usher services, modeling services or fashion show model supply services. [Such services shall not include providing farm labor services. The term shall not include human health-related services, including nursing, home health care and personal care.] As used in this clause, "personal care" shall include providing at least one of
the following types of assistance to persons with limited ability for self-care:

(1) dressing, bathing or feeding;

(2) supervising self-administered medication;

(3) transferring a person to or from a bed or wheelchair; or

(4) routine housekeeping chores when provided in conjunction with and supplied by the same provider of the assistance listed in subclause (1), (2) or (3).

* * *

(kk) "Self-storage service." Providing a building, a room in a building or a secured area within a building with separate access provided for each purchaser of self-storage service, primarily for the purpose of storing personal property. [The term excludes providing:

(1) safe deposit boxes by financial institutions;

(2) storage in refrigerator or freezer units;

(3) storage in commercial warehouses;

(4) facilities for goods distribution; and

(5) lockers in airports, bus stations, museums and other public places.]

(11) "Premium cable or premium video programming service."

That portion of cable television services, video programming services, community antenna television services or any other distribution of television, video, audio or radio services which meets all of the following criteria:

* * *

(3) does not constitute a component of a basic service tier provided by a cable television system or a cable programming service tier provided by a cable television system. A basic service tier shall include all signals of domestic television
broadcast stations, any public, educational, governmental or religious programming and any additional video programming signals or service added to the basic service tier by the cable operator. The basic service tier shall also include a single additional lower-priced package of broadcast channels and access information channels which is a subset of the basic service tier as set forth above. A cable programming service tier includes any video programming other than: (i) the basic service tier; (ii) video programming offered on a pay-per-channel or pay-per-view basis; or (iii) a combination of multiple channels of pay-per-channel or pay-per-view programming offered as a package.

If a purchaser receives or agrees to receive premium cable or premium video programming service, then the following charges are included in the purchase price: charges for installation or repair of any premium cable or premium video programming service, upgrade to include additional premium cable or premium video programming service, downgrade to exclude all or some premium cable or premium video programming service, additional premium cable outlets in excess of ten or any other charge or fee related to premium cable or premium video programming services. [The term shall not apply to transmissions by public television, public radio services or official Federal, State or local government cable services. Nor shall the term apply to local origination programming which provides a variety of public service programs unique to the community, programming which provides coverage of public affairs issues which are presented without commentary or analysis, including United States Congressional proceedings, or programming which is substantially related to religious subjects. Nor shall the term "premium cable or premium video programming service" apply to subscriber
charges for access to a video dial tone system or charges by a common carrier to a video programmer for the transport of video programming."

"Construction contract." A written or oral contract or agreement for the construction, reconstruction, remodeling, renovation or repair of real estate or a real estate structure. [The term shall not apply to services which are taxable under clauses (k)(14) and (17) and (o)(12) and (15).]

"Building machinery and equipment." Generation equipment, storage equipment, conditioning equipment, distribution equipment and termination equipment, which shall be limited to the following:

- (10) furniture, cabinetry and kitchen equipment. The term shall include boilers, chillers, air cleaners, humidifiers, fans, switchgear, pumps, telephones, speakers, horns, motion detectors, dampers, actuators, grills, registers, traffic signals, sensors, card access devices, guardrails, medial devices, floor troughs and grates and laundry equipment, together with integral coverings and enclosures, whether or not the item constitutes a fixture or is otherwise affixed to the real estate, whether or not damage would be done to the item or its surroundings upon removal or whether or not the item is physically located within a real estate structure. [The term "building machinery and equipment" shall not include guardrail posts, pipes, fittings, pipe supports and hangers, valves, underground tanks, wire, conduit, receptacle and junction boxes, insulation, ductwork and coverings thereof.]
"Telecommunications service." Any one-way transmission or any two-way, interactive transmission of sounds, signals or other intelligence converted to like form which effects or is intended to effect meaningful communications by electronic or electromagnetic means via wire, cable, satellite, light waves, microwaves, radio waves or other transmission media. The term includes all types of telecommunication transmissions, such as local, toll, wide-area or any other type of telephone service; private line service; telegraph service; radio repeater service; wireless communication service; personal communications system service; cellular telecommunication service; specialized mobile radio service; stationary two-way radio service; and paging service. [The term does not include any of the following:

(1) Subscriber charges for access to a video dial tone system.

(2) Charges to video programmers for the transport of video programming.

(3) Charges for access to the Internet. Access to the Internet does not include any of the following:

(A) The transport over the Internet or any proprietary network using the Internet protocol of telephone calls, facsimile transmissions or other telecommunications traffic to or from end users on the public switched telephone network if the signal sent from or received by an end user is not in an Internet protocol.

(B) Telecommunication services purchased by an Internet service provider to deliver access to the Internet to its customers.

(4) Mobile telecommunications services.]
"Prebuilt housing sale." A sale of prebuilt housing to a prebuilt housing purchaser, including a sale to a landlord, without regard to whether the person making the sale is responsible for installing the prebuilt housing or whether the prebuilt housing becomes a real estate structure upon installation. [Temporary installation by a prebuilt housing builder for display purposes of a unit held for resale shall not be considered occupancy for residential purposes.]

"Prepaid mobile telecommunications service." Mobile telecommunications service which is paid for in advance and which enables the origination of calls using an access number, authorization code or both, whether manually or electronically dialed, if the remaining amount of units of the prepaid mobile telecommunications service is known by the service provider of the prepaid mobile telecommunications service on a continuous basis. [The term does not include the advance purchase of mobile telecommunications service if the purchase is pursuant to a service contract between the service provider and customer and if the service contract requires the customer to make periodic payments to maintain the mobile telecommunications service.]

Section 2. Section 202 of the act, amended June 28, 2019 (P.L.50, No.13), is amended to read:

Section 202. Imposition of Tax.--(a) There is hereby imposed upon each separate sale at retail of tangible personal property or services, as defined herein, within this Commonwealth a tax of one and nine-tenths per cent of the purchase price, which tax shall, except as otherwise provided, be collected by the vendor or any other person required by this
article from the purchaser, and shall be paid over to the
Commonwealth as herein provided.

(b) There is hereby imposed upon the use, on and after the
effective date of this article, within this Commonwealth of
tangible personal property purchased at retail on or after the
effective date of this article, and on those services described
herein purchased at retail on and after the effective date of
this article, a tax of [six] one and nine-tenths per cent of the
purchase price, which tax shall be paid to the Commonwealth by
the person who makes such use as herein provided, except that
such tax shall not be paid to the Commonwealth by such person
where he has paid the tax imposed by subsection (a) of this
section or has paid the tax imposed by this subsection (b) to
the vendor with respect to such use, or such vendor advertises
or holds out or states to such person directly or indirectly
subject to the conditions set forth in section 268(b) that such
vendor will pay the tax imposed by subsection (a) or this
subsection for such person. The tax at the rate of [six] one and
nine-tenths per cent imposed by this subsection shall not be
deemed applicable where the tax has been incurred under the
provisions of the "Tax Act of 1963 for Education."

(c) Notwithstanding any other provisions of this article,
the tax with respect to telecommunications service within the
meaning of clause (m) of section 201 of this article shall,
except for telegrams paid for in cash at telegraph offices, be
computed at the rate of [six] one and nine-tenths per cent upon
the total amount charged to customers for such services,
irrespective of whether such charge is based upon a flat rate or
upon a message unit charge[, but in no event shall charges for
telephone calls paid for by inserting money into a telephone]
accepting direct deposits of money to operate be subject to this tax]. A telecommunications service provider shall have no responsibility or liability to the Commonwealth for billing, collecting or remitting taxes that apply to services, products or other commerce sold over telecommunications lines by third-party vendors. To prevent actual multistate taxation of interstate telecommunications service, any taxpayer, upon proof that the taxpayer has paid a similar tax to another state on the same interstate telecommunications service, shall be allowed a credit against the tax imposed by this section on the same interstate telecommunications service to the extent of the amount of such tax properly due and paid to such other state.

(d) Notwithstanding any other provisions of this article, the sale or use of food and beverages dispensed by means of coin operated vending machines shall be taxed at the rate of [six] one and nine tenths per cent of the receipts collected from any such machine which dispenses food and beverages heretofore taxable.

(e) (1) Notwithstanding any provisions of this article, the sale or use of prepaid telecommunications evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsections (a) and (b).

(2) The sale or use of prepaid telecommunications not evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsections (a) and (b) and shall be deemed to occur at the purchaser's billing address.

(3) Notwithstanding clause (2), the sale or use of prepaid telecommunications service not evidenced by the transfer of tangible personal property shall be taxed at the rate of [six] one and nine tenths per cent of the receipts collected on each
sale if the service provider elects to collect the tax imposed by this article on receipts of each sale. The service provider shall notify the department of its election and shall collect the tax on receipts of each sale until the service provider notifies the department otherwise.

(e.1) (1) Notwithstanding any other provision of this article, the sale or use of prepaid mobile telecommunications service evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsections (a) and (b).

(2) The sale or use of prepaid mobile telecommunications service not evidenced by the transfer of tangible personal property shall be subject to the tax imposed by subsections (a) and (b) and shall be deemed to occur at the purchaser's billing address or the location associated with the mobile telephone number or the point of sale, whichever is applicable.

(3) Notwithstanding clause (2), the sale or use of prepaid mobile telecommunications service not evidenced by the transfer of tangible personal property shall be taxed at the rate of \(\frac{1}{6}\) one and nine-tenths per cent of the receipts collected on each sale if the service provider elects to collect the tax imposed by this article on receipts of each sale. The service provider shall notify the department of its election and shall collect the tax on receipts of each sale until the service provider notifies the department otherwise.

(f) Notwithstanding any other provision of this article, tax with respect to sales of prebuilt housing shall be imposed on the prebuilt housing builder at the time of the prebuilt housing sale within this Commonwealth and shall be paid and reported by the prebuilt housing builder to the department in the time and manner provided in this article: Provided, however, That a
1 manufacturer of prebuilt housing may, at its option, precollect
2 the tax from the prebuilt housing builder at the time of sale to
3 the prebuilt housing builder. In any case where prebuilt housing
4 is purchased and the tax is not paid by the prebuilt housing
5 builder or precollected by the manufacturer, the prebuilt
6 housing purchaser shall remit tax directly to the department if
7 the prebuilt housing is used in this Commonwealth without regard
8 to whether the prebuilt housing becomes a real estate structure.
9 (g) Notwithstanding any other provisions of this article and
10 in accordance with the Mobile Telecommunications Sourcing Act (4
11 U.S.C. § 116), the sale or use of mobile telecommunications
12 services which are deemed to be provided to a customer by a home
13 service provider under section 117(a) and (b) of the Mobile
14 Telecommunications Sourcing Act shall be subject to the tax of
15 [six] one and nine-tenths per cent of the purchase price, which
16 tax shall be collected by the home service provider from the
17 customer, and shall be paid over to the Commonwealth as herein
18 provided if the customer's place of primary use is located
19 within this Commonwealth, regardless of where the mobile
20 telecommunications services originate, terminate or pass
21 through. For purposes of this subsection, words and phrases used
22 in this subsection shall have the same meanings given to them in
23 the Mobile Telecommunications Sourcing Act.
24 (h) (1) Notwithstanding any other provision of this
25 article, Article II-B, the act of July 28, 1953 (P.L.723,
26 No.230), known as the Second Class County Code, or Chapter 5 or
27 6 of the act of June 5, 1991 (P.L.9, No.6), known as the
28 Pennsylvania Intergovernmental Cooperation Authority Act for
29 Cities of the First Class, the tax shall be imposed on a
30 manufacturer of malt or brewed beverages with respect to sales
of malt or brewed beverages sold by the manufacturer directly to
the ultimate consumer for consumption on or off premises.

(2) The tax imposed under clause (1) shall be paid and
reported by the manufacturer of malt or brewed beverages to the
department in the time and manner provided in this article.

(3) Notwithstanding any law to the contrary, a school
district or local government authorized to impose a local
alcoholic beverage tax under the act of June 10, 1971 (P.L.153,
No.7), known as the First Class School District Liquor Sales Tax
Act of 1971, or 53 Pa.C.S. § 8602 (relating to local financial
support), may impose or continue to impose a local alcoholic
beverage tax on the sale at retail of malt or brewed beverages
made by a manufacturer of malt or brewed beverages to the
ultimate consumer for consumption on or off premises at the same
rate as authorized under the First Class School District Liquor
Sales Tax Act of 1971 or 53 Pa.C.S. § 8602 and notwithstanding
anything to the contrary in such laws or in a local law or
ordinance in existence on the effective date of this section.

(4) The payment of the tax imposed under clause (1) shall
eliminate the need for the ultimate consumer to pay or remit a
sales or use tax on the related transaction or upon the
subsequent use of the malt or brewed beverages.

Section 3. Section 203 of the act is amended to read:

Section 203. Computation of Tax.--The amount of tax imposed
by section 202 of this article shall be computed [as follows:

(a) If the purchase price is ten cents (10¢) or less, no tax
shall be collected.

(b) If the purchase price is eleven cents (11¢) or more but
less than eighteen cents (18¢), one cent (1¢) shall be
(c) If the purchase price is eighteen cents (18¢) or more but less than thirty-five cents (35¢), two cents (2¢) shall be collected.

(d) If the purchase price is thirty-five cents (35¢) or more but less than fifty-one cents (51¢), three cents (3¢) shall be collected.

(e) If the purchase price is fifty-one cents (51¢) or more but less than sixty-eight cents (68¢), four cents (4¢) shall be collected.

(f) If the purchase price is sixty-eight cents (68¢) or more but less than eighty-five cents (85¢), five cents (5¢) shall be collected.

(g) If the purchase price is eighty-five cents (85¢) or more but less than one dollar and one cent ($1.01), six cents (6¢) shall be collected.

(h) If the purchase price is more than one dollar ($1.00), six per centum of each dollar of purchase price plus the above bracket charges upon any fractional part of a dollar in excess of even dollars shall be collected.] by the department. The department shall publish the computation in the Pennsylvania Bulletin.

Section 4. Section 204 of the act is repealed:

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

(1) The sale at retail or use of tangible personal property (other than motor vehicles, trailers, semi-trailers, motor boats, aircraft or other similar tangible personal property required under either Federal law or laws of this Commonwealth to be registered or licensed) or services sold by or purchased from a person not a vendor in an isolated transaction or sold by
or purchased from a person who is a vendor but is not a vendor with respect to the tangible personal property or services sold or purchased in such transaction: Provided, That inventory and stock in trade so sold or purchased, shall not be excluded from the tax by the provisions of this subsection.

(2) The use of tangible personal property purchased by a nonresident person outside of, and brought into this Commonwealth for use therein for a period not to exceed seven days, or for any period of time when such nonresident is a tourist or vacationer and, in either case not consumed within the Commonwealth.

(3) The use of tangible personal property purchased outside this Commonwealth for use outside this Commonwealth by a then nonresident natural person or a business entity not actually doing business within this Commonwealth, who later brings such tangible personal property into this Commonwealth in connection with his establishment of a permanent business or residence in this Commonwealth: Provided, That such property was purchased more than six months prior to the date it was first brought into this Commonwealth or prior to the establishment of such business or residence, whichever first occurs. This exclusion shall not apply to tangible personal property temporarily brought into Pennsylvania for the performance of contracts for the construction, reconstruction, remodeling, repairing and maintenance of real estate.

(4) The sale at retail or use of disposable diapers; premoistened wipes; incontinence products; colostomy deodorants; toilet paper; sanitary napkins, tampons or similar items used for feminine hygiene; or toothpaste, toothbrushes or dental floss.
(5) The sale at retail or use of steam, natural and manufactured and bottled gas, fuel oil, electricity or intrastate subscriber line charges, basic local telephone service or telegraph service when purchased directly by the user thereof solely for his own residential use and charges for telephone calls paid for by inserting money into a telephone accepting direct deposits of money to operate.

(10) The sale at retail to or use by (i) any charitable organization, volunteer firemen's organization, volunteer firefighters' relief association as defined in 35 Pa.C.S. § 7412 (relating to definitions) or nonprofit educational institution, or (ii) a religious organization for religious purposes of tangible personal property or services other than pursuant to a construction contract: Provided, however, That the exclusion of this clause shall not apply with respect to any tangible personal property or services used in any unrelated trade or business carried on by such organization or institution or with respect to any materials, supplies and equipment used and transferred to such organization or institution in the construction, reconstruction, remodeling, renovation, repairs and maintenance of any real estate structure, other than building machinery and equipment, except materials and supplies when purchased by such organizations or institutions for routine maintenance and repairs. If the department has issued sales tax-exempt status to a volunteer firefighters' organization or a volunteer firefighters' relief association, the sales tax-exempt status may not expire unless the activities of the organization or association change so that the organization or association does not qualify as an institution of purely public charity in which case the organization or association shall immediately

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notify the department of the change. If the department ascertains that an organization or association no longer qualifies as an institution of purely public charity, the department may revoke the sales tax-exempt status of the organization or association.

(11) The sale at retail, or use of gasoline and other motor fuels, the sales of which are otherwise subject to excise taxes under the act of May 21, 1931 (P.L.194), known as the "Liquid Fuels Tax Act," and the act of January 14, 1952 (P.L.1965), known as the "Fuel Use Tax Act."

(12) The sale at retail to, or use by the United States, this Commonwealth or its instrumentalities or political subdivisions of tangible personal property or services.

(13) The sale at retail, or use of wrapping paper, wrapping twine, bags, cartons, tape, rope, labels, nonreturnable containers and all other wrapping supplies, when such use is incidental to the delivery of any personal property, except that any charge for wrapping or packaging shall be subject to tax at the rate imposed by section 202, unless the property wrapped or packaged will be resold by the purchaser of the wrapping or packaging service. As used in this paragraph, the term "cartons" includes corrugated boxes used by a person engaged in the manufacture of snack food products to deliver the manufactured product, whether or not the boxes are returnable for potential reuse.

(14) Sale at retail or use of vessels designed for commercial use of registered tonnage of fifty tons or more when produced by the builders thereof upon special order of the purchaser.

(15) Sale at retail of tangible personal property or...
services used or consumed in building, rebuilding, repairing and
making additions to or replacements in and upon vessels designed
for commercial use of registered tonnage of fifty tons or more
upon special order of the purchaser, or when rebuilt, repaired
or enlarged, or when replacements are made upon order of or for
the account of the owner.

(16) The sale at retail or use of tangible personal property
or services to be used or consumed for ship cleaning or
maintenance or as fuel, supplies, ships' equipment, ships'
stores or sea stores on vessels designed for commercial use of
registered tonnage of fifty tons or more to be operated
principally outside the limits of the Commonwealth.

(17) The sale at retail or use of prescription or non-
prescription medicines, drugs or medical supplies, crutches and
wheelchairs for the use of cripples and invalids, artificial
limbs, artificial eyes and artificial hearing devices when
designed to be worn on the person of the purchaser or user,
false teeth and materials used by a dentist in dental treatment,
eyeglasses when especially designed or prescribed by an
ophthalmologist, oculist or optometrist for the personal use of
the owner or purchaser and artificial braces and supports
designed solely for the use of crippled persons or any other
therapeutic, prosthetic or artificial device designed for the
use of a particular individual to correct or alleviate a
physical incapacity, including but not limited to hospital beds,
iron lungs, and kidney machines.

(18) The sale at retail or use of coal.

(24) The sale at retail or use of motor vehicles, trailers
and semi-trailers, or bodies attached to the chassis thereof,
sold to a nonresident of Pennsylvania to be used outside of
Pennsylvania and which are registered in a state other than Pennsylvania within twenty days after delivery to the vendee.

(25) The sale at retail or use of water.

(26) The sale at retail or use of all vesture, wearing apparel, raiments, garments, footwear and other articles of clothing, including clothing patterns and items that are to be a component part of clothing, worn or carried on or about the human body but all accessories, ornamental wear, formal day or evening apparel, and articles made of fur on the hide or pelt or any material imitative of fur and articles of which such fur, real, imitation or synthetic, is the component material of chief value, but only if such value is more than three times the value of the next most valuable component material, and sporting goods and clothing not normally used or worn when not engaged in sports shall not be excluded from the tax.

(28) The sale at retail or use of religious publications sold by religious groups and Bibles and religious articles.

(29) The sale at retail or use of food and beverages for human consumption, except that this exclusion shall not apply with respect to--

(i) Soft drinks;

(ii) Malt and brewed beverages and spirituous and vinous liquors;

(iii) Food or beverages, whether sold for consumption on or off the premises or on a "take-out" or "to go" basis or delivered to the purchaser or consumer, when purchased (A) from persons engaged in the business of catering; or (B) from persons engaged in the business of operating establishments from which ready-to-eat food and beverages are sold, including, but not limited to, restaurants, cafes, lunch counters, private and
social clubs, taverns, dining cars, hotels, night clubs, fast food operations, pizzerias, fairs, carnivals, lunch carts, ice cream stands, snack bars, cafeterias, employee cafeterias, theaters, stadiums, arenas, amusement parks, carryout shops, coffee shops and other establishments whether mobile or immobile. For purposes of this clause, a bakery, a pastry shop, a donut shop, a delicatessen, a grocery store, a supermarket, a farmer's market, a convenience store or a vending machine shall not be considered an establishment from which food or beverages ready to eat are sold except for the sale of meals, sandwiches, food from salad bars, hand-dipped or hand-served iced based products including ice cream and yogurt, hot soup, hot pizza and other hot food items, brewed coffee and hot beverages. For purposes of this subclause, beverages shall not include malt and brewed beverages and spirituous and vinous liquors but shall include soft drinks. The sale at retail of food and beverages at or from a school or church in the ordinary course of the activities of such organization is not subject to tax.

(30) The sale at retail or use of newspapers. For purposes of this section, the term "newspaper" shall mean a "legal newspaper" or a publication containing matters of general interest and reports of current events which qualifies as a "newspaper of general circulation" qualified to carry a "legal advertisement" as those terms are defined in 45 Pa.C.S. § 101 (relating to definitions), not including magazines. This exclusion shall also include any printed advertising materials circulated with such newspaper regardless of where or by whom such printed advertising material was produced.

(31) The sale at retail or use of caskets and burial vaults for human remains and markers and tombstones for human graves.
(32) The sale at retail or use of flags of the United States of America and the Commonwealth of Pennsylvania.

(33) The sale at retail or use of textbooks for use in schools, colleges and universities, either public or private when purchased in behalf of or through such schools, colleges or universities provided such institutions of learning are recognized by the Department of Education.

(34) The sale at retail, or use of motion picture film rented or licensed from a distributor for the purpose of commercial exhibition.

(35) The sale at retail or use of mail order catalogs and direct mail advertising literature or materials, including electoral literature or materials, such as envelopes, address labels and a one-time license to use a list of names and mailing addresses for each delivery of direct mail advertising literature or materials, including electoral literature or materials, through the United States Postal Service.

(36) The sale at retail or use of rail transportation equipment used in the movement of personalty.

(37) The sale at retail of buses to be used under contract with school districts that are replacements for buses destroyed or lost in the flood of 1977 for a period ending December 31, 1977 in the counties of Armstrong, Bedford, Cambria, Indiana, Jefferson, Somerset and Westmoreland, or the use of such buses.

(38) The sale at retail of horses, if at the time of purchase, the seller is directed to ship or deliver the horse to an out-of-State location, whether or not the charges for shipment are paid for by the seller or the purchaser; the seller shall obtain a bill of lading, either from the carrier or from the purchaser, who, in turn has obtained the bill of lading from.
the carrier, reflecting delivery to the out-of-State address to which the horse has been shipped. The seller shall execute a "Certificate of Delivery to Destination Outside of the Commonwealth" for each bill of lading reflecting out-of-State delivery. The seller shall be required to retain the certificate of delivery form to justify the noncollection of sales tax with respect to the transaction to which the form relates.

In transactions where a horse is sold by the seller and delivered to a domiciled person, agent or corporation prior to its being delivered to an out-of-State location, the "Certificate of Delivery to Destination Outside of the Commonwealth" form must have attached to it bills of lading both for the transfer to the domiciled person, agent or corporation and from the aforementioned to the out-of-State location.

(39) The sale at retail or use of fish feed purchased by or on behalf of sportsmen's clubs, fish cooperatives or nurseries approved by the Pennsylvania Fish Commission.

(40) The sale at retail of supplies and materials to tourist promotion agencies, which receive grants from the Commonwealth, for distribution to the public as promotional material or the use of such supplies and materials by said agencies for said purposes.

(41) The sale at retail of supplies and materials to tourist promotion agencies, which receive grants from the Commonwealth, for distribution to the public as promotional material or the use of such supplies and materials by said agencies for said purposes.

(42) The sale or use of brook trout (Salvelinus fontinalis), brown trout (Salmo trutta) or rainbow trout (Salmo gairdneri).

(43) The sale at retail or use of buses to be used
exclusively for the transportation of children for school purposes.

(44) The sale at retail or use of firewood. For the purpose of this clause, firewood shall mean the product of trees when severed from the land and cut into proper lengths for burning and pellets made from pure wood sawdust if used for fuel for cooking, hot water production or to heat residential dwellings.

(45) The sale at retail or use of materials used in the construction and erection of objects purchased by not-for-profit organizations for purposes of commemoration and memorialization of historical events, provided that the object is erected upon publicly owned property or property to be conveyed to a public entity upon the commemoration or memorialization of the historical event.

(46) The sale at retail or use of tangible personal property purchased in accordance with the Food Stamp Act of 1977, as amended (Public Law 95-113, 7 U.S.C. §§ 2011-2029).

(49) The sale at retail or use of food and beverages by nonprofit associations which support sports programs or youth centers. For purposes of this clause, the phrases:

(i) "nonprofit association" means an entity which is organized as a nonprofit corporation or nonprofit unincorporated association under the laws of this Commonwealth or the United States or any entity which is authorized to do business in this Commonwealth as a nonprofit corporation or unincorporated association under the laws of this Commonwealth, including, but not limited to, youth or athletic associations, volunteer fire, ambulance, religious, charitable, fraternal, veterans, civic, or any separately chartered auxiliary of the foregoing, if organized and operated on a nonprofit basis;
(iv) "sports program" means baseball (including softball), football, basketball, soccer and any other competitive sport formally recognized as a sport by the United States Olympic Committee as specified by and under the jurisdiction of the Amateur Sports Act of 1978 (Public Law 95-606, 36 U.S.C. § 371 et seq.), the Amateur Athletic Union or the National Collegiate Athletic Association. The term shall be limited to a program or that portion of a program that is organized for recreational purposes and whose activities are substantially for such purposes and which is primarily for participants who are 18 years of age or younger or whose 19th birthday occurs during the year of participation or the competitive season, whichever is longer. There shall, however, be no age limitation for programs operated for persons with physical handicaps or persons with mental retardation;

(v) "support" means:

(A) the funds raised from sales are used to pay the expenses of a sports program or a youth center; or

(B) the nonprofit association sells the food and beverages at a youth center or a location where a sports program is being conducted under this act;

(vi) "youth center" means a fixed location used exclusively for programs for individuals who are 19 years of age or younger as long as the programs are:

(A) conducted primarily by volunteers;

(B) designed to advance recreational, civic or moral objectives; and

(C) conducted by an organization that is qualified under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) and that has obtained an
exemption number from the department as a charitable
organization under clause (10).

(50) The sale at retail or use of subscriptions for
magazines. The term "magazine" refers to a periodical published
at regular intervals not exceeding three months and which are
circulated among the general public, containing matters of
general interest and reports of current events published for the
purpose of disseminating information of a public character or
devoted to literature, the sciences, art or some special
industry. This exclusion shall also include any printed
advertising material circulated with the periodical or
publication regardless of where or by whom the printed
advertising material was produced.

(51) The sale at retail or use of interior office building
cleaning services but only as relates to the costs of the
supplied employe, which costs are wages, salaries, bonuses and
commissions, employment benefits, expense reimbursements, and
payroll and withholding taxes, to the extent that these costs
are specifically itemized or that these costs in aggregate are
stated in billings from the vendor or supplying entity.

(53) The sale at retail or use of candy or gum regardless of
the location from which the candy or gum is sold.

(55) The sale at retail or use of horses to be used
exclusively for commercial racing activities and the sale at
retail and use of feed, bedding, grooming supplies, riding tack,
farrier services, portable stalls and sulkies for horses used
exclusively for commercial racing activities.

(56) The sale at retail or use of tangible personal property
or services used, transferred or consumed in installing or
repairing equipment or devices designed to assist persons in
ascending or descending a stairway when:

(i) The equipment or devices are used by a person who, by virtue of a physical disability, is unable to ascend or descend stairs without the aid of such equipment or device.

(ii) The equipment or device is installed or used in such person's place of residence.

(iii) A physician has certified the physical disability of the person in whose residence the equipment or device is installed or used.

(57) The sale at retail to or use by a construction contractor of building machinery and equipment and services thereto that are:

(i) transferred pursuant to a construction contract for any charitable organization, volunteer firemen's organization, volunteer firefighters' relief association, nonprofit educational institution or religious organization for religious purposes, provided that the building machinery and equipment and services thereto are not used in any unrelated trade or business; or

(ii) transferred to the United States or the Commonwealth or its instrumentalities or political subdivisions; or

(58) The sale at retail or use of a personal computer, a peripheral device or an Internet access device, or a service contract or single-user licensed software purchased in conjunction with a personal computer, peripheral device or Internet access device, during the exclusion period by an individual purchaser for nonbusiness use. The exclusion does not include a sale at retail or use of, leasing, rental or repair of a personal computer, peripheral device or Internet access device; mainframe computers; network servers; local area network...
hubs; routers and network cabling; network operating systems; multiple-user licensed software; minicomputers; hand-held computers; personal digital assistants without Internet access; hardware word processors; graphical calculators; video game consoles; telephones; digital cameras; pagers; compact discs encoded with music or movies; and digital versatile discs encoded with music or movies. For purposes of this clause, the phrase "exclusion period" means the period of time from August 5, 2001, to and including August 12, 2001, and from February 17, 2002, to and including February 24, 2002. For purposes of this clause, "purchaser" means an individual who places an order and pays the purchase price by cash or credit during the exclusion period even if delivery takes place after the exclusion period.

(59) The sale at retail or use of molds and related mold equipment used directly and predominantly in the manufacture of products, regardless of whether the person that holds title to the equipment manufactures a product.

(60) The sale or use of used prebuilt housing.

(61) The sale at retail to or use of food and nonalcoholic beverages by an airline which will transfer the food or nonalcoholic beverages to passengers in connection with the rendering of the airline service.

(62) The sale at retail or use of tangible personal property or services which are directly used in farming, dairying or agriculture when engaged in as a business enterprise whether or not the sale is made to the person directly engaged in the business enterprise or to a person contracting with the person directly engaged in the business enterprise for the production of food.

(63) The sale at retail or use of separately stated fees
paid pursuant to 13 Pa.C.S. § 9525 (relating to fees).

(64) The sale at retail to or use by a construction contractor, employed by a public school district pursuant to a construction contract, of any materials and building supplies which, during construction or reconstruction, are made part of any public school building utilized for instructional classroom education within this Commonwealth, if the construction or reconstruction:

(i) is necessitated by a disaster emergency, as defined in 35 Pa.C.S. § 7102 (relating to definitions); and

(ii) takes place during the period when there is a declaration of disaster emergency under 35 Pa.C.S. § 7301(c) (relating to general authority of Governor).

(65) The sale at retail or use of investment metal bullion and investment coins. "Investment metal bullion" means any elementary precious metal which has been put through a process of smelting or refining, including, but not limited to, gold, silver, platinum and palladium, and which is in such state or condition that its value depends upon its content and not its form. "Investment metal bullion" does not include precious metal which has been assembled, fabricated, manufactured or processed in one or more specific and customary industrial, professional, aesthetic or artistic uses. "Investment coins" means numismatic coins or other forms of money and legal tender manufactured of gold, silver, platinum, palladium or other metal and of the United States or any foreign nation with a fair market value greater than any nominal value of such coins. "Investment coins" does not include jewelry or works of art made of coins, nor does it include commemorative medallions.

(66) The sale at retail or use of copies of an official
document sold by a government agency or a court. For the purposes of this clause, the following terms or phrases shall have the following meanings:

(i) "court" includes:
   (A) an "appellate court" as defined in 42 Pa.C.S. § 102 (relating to definitions);
   (B) a "court of common pleas" as defined in 42 Pa.C.S. § 102;
   (C) the "minor judiciary" as defined in 42 Pa.C.S. § 102;
   (ii) "government agency" means an "agency" as defined in section 1 of the act of June 21, 1957 (P.L.390, No.212), referred to as the "Right-to-Know Law";
   (iii) "official document" means a "record" as defined in section 1 of the "Right-to-Know Law." The term shall include notes of court testimony, deposition transcripts, driving records, accident reports, birth and death certificates, deeds, divorce decrees and other similar documents.

(67) The sale at retail or use of repair or replacement parts, including the installation of those parts, exclusively for use in helicopters and similar rotorcraft or in overhauling or rebuilding of helicopters and similar rotorcraft or helicopters and similar rotorcraft components.

(68) The sale at retail or use of helicopters and similar rotorcraft.

(69) The sale at retail or use of aircraft parts, services to aircraft and aircraft components. For purposes of this clause, the term "aircraft" shall include a fixed-wing aircraft, powered aircraft, tilt-rotor or tilt-wing aircraft, glider or unmanned aircraft.

(70) The sale at retail or use of services related to the
set up, tear down or maintenance of tangible personal property rented by an authority to exhibitors at a convention center or a public auditorium, established under 64 Pa.C.S. Ch. 60 (relating to Pennsylvania Convention Center Authority), the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, or the act of August 9, 1955 (P.L.323, No.130), known as The County Code.

(71) The sale at retail or use of food and beverages by a volunteer firemen's organization to raise funds for the purposes of the volunteer firemen's organization.

(72) The sale at retail of building materials and supplies used for the construction or repair of an animal housing facility, regardless if the sale is made to the purchaser directly or pursuant to a construction contract.

(73) The sale at retail or use by a financial institution of canned computer software directly utilized in conducting the business of banking. For the purposes of this clause, the following words and phrases shall have the following meanings:

"Directly utilized in conducting the business of banking" includes the purchase of canned computer software by a financial institution to be used in transactions with customers and service providers. The term does not include the purchase of canned computer software by entities, other than a financial institution, such as holding companies and subsidiaries of a financial institution.

"Financial institution" means an institution doing business in this commonwealth subject to the tax imposed by Article VII or Article XV.

Section 5. Sections 205, 281.2 and 201-B(b) of the act are amended to read:
Section 205. Alternate Imposition of Tax; Credits.--(a) If any person actively and principally engaged in the business of selling new or used motor vehicles, trailers or semi-trailers, and registered with the department in the "dealer's class," acquires a motor vehicle, trailer or semi-trailer for the purpose of resale, and prior to such resale, uses the motor vehicle, trailer or semi-trailer for a taxable use under this act, the person may pay a tax equal to \([\text{six} \text{ one and nine-tenths}] \) per cent of the fair rental value of the motor vehicle, trailer or semi-trailer during such use. This section shall not apply to the use of a vehicle as a wrecker, parts truck, delivery truck or courtesy car.

(b) A commercial aircraft operator who acquires an aircraft for the purpose of resale, or lease, or is entitled to claim another valid exemption at the time of purchase, and subsequent to such purchase, periodically uses the same aircraft for a taxable use under this act, may elect to pay a tax equal to \([\text{six} \text{ one and nine-tenths}] \) per cent of the fair rental value of the aircraft during such use.

Section 281.2. Transfers to Public Transportation Assistance Fund.--{(a) All revenues received on or after July 1, 1992, from the imposition of the tax on periodicals shall be transferred to the Public Transportation Assistance Fund according to the formula set forth in subsection (b).}

(b) Within 30 days of the close of any calendar month, .44 per cent (.0044) of the taxes received in the previous month under this article, less any amounts collected in that previous calendar month under former 74 Pa.C.S. § 1314(d) (relating to Public Assistance Transportation Fund), shall be transferred to the Public Transportation Assistance Fund established under...
(c) In fiscal year 1991-1992, the Secretary of Revenue will ensure that ten million dollars ($10,000,000) is deposited in the Public Assistance Transportation Fund from the combination of revenues received under former 74 Pa.C.S. § 1314(d) and transfers of periodical taxes received under this article.

(d) Within 30 days of the close of any calendar month, .09 per cent (.0009) of the taxes received in the previous month under this article shall be transferred to the Public Transportation Assistance Fund established under Article XXIII.

(e) Within 30 days of the close of a calendar month, .417 per cent (.00417) of the taxes received in the previous month under this article shall be transferred to the Public Transportation Assistance Fund established under Article XXIII.

Within 30 days of the close of a calendar month, .3 per cent (.003) of the taxes received in the previous month under this article shall be transferred to the Public Transportation Assistance Fund established under Article XXIII.

Section 201-B. Special taxing authority.

* * *

(b) Rate.—The tax authorized under subsection (a) shall be imposed and collected at the rate of [1%] 0.32% and shall be computed as set forth in section 503(e)(2) of the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class.

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Section 6. The Secretary of the Commonwealth shall submit to the Legislative Reference Bureau a notice for publication in the Pennsylvania Bulletin if the General Assembly has enacted all of the following:

2019D08733
(1) An act that reduces the rate of tax imposed under section 3152-B of the act of July 28, 1953 (P.L. 723, No. 230), known as the Second Class County Code, in a manner that would result in the revenue generated by the tax imposed under section 3152-B of the Second Class County Code, being revenue neutral, subject to the repeal of exclusions from the sales and use tax in this act, in comparison to the amount generated in the prior fiscal year.

(2) An act that reduces the rate of tax imposed under section 503(a) and (b) of the act of June 5, 1991 (P.L. 9, No. 6), known as the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class, in a manner that would result in the revenue generated by the tax being revenue neutral, subject to the repeal of exclusions from the sales and use tax in this act, in comparison to the amount generated in the prior fiscal year.

(3) An act that reduces the amount deposited into the Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c)(1).

Section 7. This act shall take effect as follows:

(1) Section 5 of this act and this section shall take effect immediately.

(2) The remainder of this act shall take effect upon publication of the notice under section 6 of this act.