

# COMMONWEALTH OF PENNSYLVANIA

## LEGISLATIVE JOURNAL

MONDAY, JUNE 1, 2015

SESSION OF 2015

199TH OF THE GENERAL ASSEMBLY

No. 38

### HOUSE OF REPRESENTATIVES

The House convened at 1 p.m., e.d.t.

**THE SPEAKER (MIKE TURZAI)  
PRESIDING**

#### PRAYER

The SPEAKER. We have a very special guest today who will be delivering the prayer. The prayer will be offered by Rev. Ron Bachman of Grace Evangelical Congregational Church in Columbia, Pennsylvania, as a guest of Representative Hickernell.

Ron served this fine institution, this august institution, for 25 years as the House floor superintendent. We are very honored to have him with us today.

REV. RONALD L. BACHMAN, Guest Chaplain of the House of Representatives, offered the following prayer:

Good afternoon.

Let us look to the Lord in prayer:

Father God, we certainly want to thank You for this day that You have provided for us. We also want to thank You, Father, for the safety in the night past and for bringing us to this new day.

And now I pray and ask, O Lord, that You would come and join us here in this place. I know that You are already here because the Bible says, "...where two or three are gathered together in my name, there I am in the midst..." So we thank You for being with us here today. And I ask, O Lord, that You would just go in amongst the rows here in the front of this chamber and throughout the whole chamber, and may Your spirit just touch someone.

And I also pray, Father God, that You will bless every legislator here in this place this morning or this afternoon, and I ask, O Lord, that You would also bless the families that they represent. And I do not know if any of them are here that are sick or are not here and sick, but in any case, Father, I ask that You would reach down there from heaven, touch all those that are sick and ill or even shut-in, and I ask that You would heal them, Father, according to Your will and purpose and not mine.

Bless the things that will take place here this afternoon, Father, and may everything that does take place, ultimately may it bring glory and honor and praise to our resurrected savior.

And I pray and ask this prayer, Father, in the wonderful name of He who said in his Word, "Lo, I will never ever leave thee, or forsake thee." And I pray this prayer in His name and for His sake. Amen.

Thank you.

#### PLEDGE OF ALLEGIANCE

(The Pledge of Allegiance was recited by members and visitors.)

#### JOURNAL APPROVAL POSTPONED

The SPEAKER. Without objection, the approval of the Journal of Thursday, May 14, 2015, will be postponed until printed.

#### JOURNAL APPROVED

The SPEAKER. However, the following Journal is in print, and without objection, it will be approved: Thursday, February 26, 2015.

#### HOUSE RESOLUTIONS INTRODUCED AND REFERRED

**No. 324** By Representatives FARRY, DeLISSIO, SCHREIBER, ROZZI, FRANKEL, DAVIS, V. BROWN, HEFFLEY, STAATS, THOMAS, MURT, KILLION, YOUNGBLOOD, MILLARD, KINSEY, BAKER, McNEILL, HARHART, DONATUCCI, WARD, M. DALEY, SCHLOSSBERG, READSHAW, TOEPEL, CORBIN, ACOSTA, LEWIS, GOODMAN, D. COSTA, O'BRIEN, DeLUCA, COHEN, BROWNLEE, SIMS, DEAN, D. PARKER, SANTARSIERO, PASHINSKI and WATSON

A Concurrent Resolution establishing the Task Force on Women Veterans' Health Care.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, May 28, 2015.

**No. 347** By Representatives ACOSTA, HENNESSEY, VEREB, KINSEY, SCHWEYER, KIM, V. BROWN, DONATUCCI, DiGIROLAMO, SACCONI, THOMAS, READSHAW, STEPHENS, FARINA, BIZZARRO, MURT, O'NEILL, MILLARD, COHEN, DAVIS, DRISCOLL,

BROWNLEE, McCARTER, TALLMAN, YOUNGBLOOD, WHEELAND, CALTAGIRONE, MAHONEY, SCHLOSSBERG, ELLIS, GOODMAN, SCHREIBER, GIBBONS, D. COSTA, MILNE, GILLEN and BISHOP

A Resolution commending Korean-American veterans of the Vietnam Conflict for their service to the United States and urging the Congress of the United States to express appreciation and gratitude for their loyal service during the Vietnam Conflict.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, May 18, 2015.

**No. 363** By Representatives DONATUCCI, READSHAW, MURT, THOMAS, FREEMAN, SCHLOSSBERG, BROWNLEE, FARINA, YOUNGBLOOD, SCHWEYER, BARRAR, ROZZI, SCHREIBER, COHEN, MAHONEY, GIBBONS, BRADFORD, FRANKEL and McCARTER

A Concurrent Resolution establishing the Heroin and Opioid Eradication and Treatment Task Force.

Referred to Committee on HUMAN SERVICES, June 1, 2015.

### HOUSE BILLS INTRODUCED AND REFERRED

**No. 1018** By Representatives SANTARSIERO, TOEPEL, JAMES, GREINER, SCHWEYER, MILLARD, READSHAW, O'BRIEN, METZGAR, BARRAR, KAUFFMAN, SIMMONS, GROVE, RAPP, GABLER, McNEILL, COHEN, ZIMMERMAN, FRANKEL, DeLUCA, BRIGGS, MURT, BRADFORD, SABATINA, O'NEILL, EVERETT, PETRI, RADER, CARROLL, KORTZ, REESE, SAYLOR, HEFFLEY, MILNE, M. DALEY, BARBIN, WHEELAND, DUSH, GALLOWAY, SCHLOSSBERG and McCARTER

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, prohibiting funding to an institution of higher education that engages in a boycott against or divestment from Israel.

Referred to Committee on EDUCATION, May 18, 2015.

**No. 1072** By Representatives TAYLOR, BOYLE, THOMAS, GREINER, ACOSTA, WATSON, KINSEY, BOBACK, O'BRIEN, COHEN, BARBIN, MULLERY, BROWNLEE, SCHLOSSBERG, PASHINSKI, MAHONEY, W. KELLER, DeLUCA and WHITE

An Act amending the act of October 9, 2008 (P.L.1408, No.113), known as the Scrap Material Theft Prevention Act, providing for registry of operators, processors and locations; and further providing for identification requirements for sale of scrap materials to scrap processors and recycling facility operators and for commercial accounts.

Referred to Committee on CONSUMER AFFAIRS, June 1, 2015.

**No. 1146** By Representatives KAVULICH, READSHAW, SCHREIBER, THOMAS, McNEILL, ROZZI, DERMODY, HANNA, MARKOSEK, FRANKEL, YOUNGBLOOD, STURLA, DRISCOLL, GOODMAN, COHEN, BROWNLEE,

DAVIDSON, DONATUCCI, PASHINSKI, O'BRIEN, KINSEY, DEAN, SCHWEYER, WATERS, KIM, M. DALEY, CALTAGIRONE, SCHLOSSBERG, FABRIZIO, DAVIS, BARRAR, MURT, MACKENZIE, FARINA, GIBBONS, GILLEN and ROEBUCK

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, providing for a manufacturing tax credit; and prohibiting agreements under and repealing the Promoting Employment Across Pennsylvania Act.

Referred to Committee on FINANCE, May 28, 2015.

**No. 1147** By Representatives SCHLOSSBERG, DERMODY, HANNA, MARKOSEK, FRANKEL, YOUNGBLOOD, GOODMAN, STURLA, BROWNLEE, SCHREIBER, PASHINSKI, DONATUCCI, KINSEY, DEAN, WATERS, M. DALEY, COHEN, MURT, McNEILL, FABRIZIO, DAVIS, WHEATLEY, THOMAS and ROEBUCK

An Act amending the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, providing for Pay for Success Contracts.

Referred to Committee on STATE GOVERNMENT, June 1, 2015.

**No. 1150** By Representatives P. COSTA, DERMODY, HANNA, FRANKEL, YOUNGBLOOD, MARKOSEK, GOODMAN, STURLA, BIZZARRO, BROWNLEE, CALTAGIRONE, COHEN, DEASY, GIBBONS, KINSEY, MAHONEY, MURT, O'BRIEN, PASHINSKI, READSHAW, ROZZI, SABATINA, SCHLOSSBERG, SCHREIBER, ROEBUCK, DEAN and McNEILL

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, in preliminary provisions, further providing for definitions; in Pennsylvania Liquor Control Board, further providing for general powers of board; in Pennsylvania Liquor Stores, further providing for board to establish State liquor stores, for when sales may be made at Pennsylvania Liquor Stores, and for sales by Pennsylvania Liquor Stores; and, in licenses and regulations and liquor and alcohol and malt and brewed beverages, further providing for authority to issue liquor licenses to hotels, restaurants and clubs, for sale of malt or brewed beverages by liquor licensees, for malt and brewed beverages manufacturers', distributors' and importing distributors' licenses, for distributors' and importing distributors' restrictions on sales, storage, etc., for retail dispensers' restrictions on purchases and sales and for renewal of licenses and temporary provisions for licenses in armed service, providing for license auction and further providing for revocation and suspension of licenses and fines and for shipment of wine into Commonwealth, providing for direct shipment of wine and for unlawful acts relative to liquor, malt and brewed beverages and licensees and for premises to be vacated by patrons.

Referred to Committee on LIQUOR CONTROL, May 18, 2015.

**No. 1185** By Representatives SANTARSIERO, SCHREIBER, FRANKEL, M. DALEY, THOMAS, SCHLOSSBERG, BROWNLEE, ROZZI, KINSEY, O'BRIEN, McNEILL, SIMS, HARKINS, GALLOWAY and DEAN

An Act amending the act of February 1, 1974 (P.L.34, No.15), known as the Pennsylvania Municipal Retirement Law, in general provisions, further providing for the definitions of "beneficiary" and "survivor annuitant"; in provisions relating to municipal employees, providing for rights of municipal employees' spouses, and further

providing for options on superannuation or early retirement; in provisions relating to municipal firemen and municipal police, further providing for options on superannuation or early retirement; and, in optional retirement plans, further providing for options on superannuation or early retirement.

Referred to Committee on LOCAL GOVERNMENT, June 1, 2015.

**No. 1186** By Representatives SANTARSIERO, SCHREIBER, FRANKEL, M. DALEY, THOMAS, SCHLOSSBERG, BROWNEE, ROZZI, KINSEY, O'BRIEN, McNEILL, SIMS, HARKINS, GALLOWAY and DEAN

An Act amending Titles 24 (Education) and 71 (State Government) of the Pennsylvania Consolidated Statutes, in membership, contributions and benefits, further providing for member's options, for death benefits and for payment of benefits; in administration and miscellaneous provisions, further providing for duties of board regarding applications and elections of members and for rights and duties of school employees and members; in benefits, further providing for member's options, for death benefits and for payment of benefits; and, in administration, funds, accounts, general provisions, further providing for duties of board regarding applications and elections of members and for rights and duties of State employees and members.

Referred to Committee on STATE GOVERNMENT, June 1, 2015.

**No. 1224** By Representatives HANNA, COHEN, MURT, THOMAS, ROZZI, MILLARD, McNEILL and YOUNGBLOOD

An Act amending the act of May 17, 1929 (P.L.1798, No.591), referred to as the Forest Reserves Municipal Financial Relief Law, increasing annual charge.

Referred to Committee on ENVIRONMENTAL RESOURCES AND ENERGY, May 18, 2015.

**No. 1225** By Representatives TAYLOR, KILLION, THOMAS, MURT, KOTIK, GODSHALL, MILLARD, HARPER, ELLIS, GROVE, WHITE, A. HARRIS, J. HARRIS, SAYLOR, CUTLER, TRUITT, WHEATLEY, QUIGLEY, SANKEY, BLOOM, TOPPER, HICKERNELL, W. KELLER, FEE and CHRISTIANA

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, providing for the establishment of the Achievement School District and for its powers and duties.

Referred to Committee on EDUCATION, June 1, 2015.

**No. 1226** By Representatives GINGRICH, ROSS, HARPER, FREEMAN and M. DALEY

An Act amending the act of May 1, 1933 (P.L.103, No.69), known as The Second Class Township Code, in corporate powers, further providing for observances and celebrations.

Referred to Committee on LOCAL GOVERNMENT, May 18, 2015.

**No. 1227** By Representatives GINGRICH, ROSS, HARPER, FREEMAN and M. DALEY

An Act amending Title 8 (Boroughs and Incorporated Towns) of the Pennsylvania Consolidated Statutes, in corporate powers, further providing for specific powers.

Referred to Committee on LOCAL GOVERNMENT, May 18, 2015.

**No. 1228** By Representatives GINGRICH, ROSS, HARPER, FREEMAN and M. DALEY

An Act amending the act of June 24, 1931 (P.L.1206, No.331), known as The First Class Township Code, in corporate powers, further providing for the corporate power of first class townships vested in the board of township commissioners.

Referred to Committee on LOCAL GOVERNMENT, May 18, 2015.

**No. 1229** By Representatives MUSTIO, KOTIK, READSHAW, D. COSTA, MARSHALL, CHRISTIANA, MILLARD, PAYNE, RAPP, VEREB, WATSON, V. BROWN, COHEN, DiGIROLAMO, DONATUCCI, EMRICK, FARINA, GROVE, HENNESSEY, MAJOR, MATZIE, MURT, SAINATO, THOMAS, WHEELAND and YOUNGBLOOD

An Act designating the overpass on State Route 3145 over Interstate 376, BMS 02-3145-0010-0537, in the Market District at Settlers Ridge, Robinson Township, Allegheny County, as the Roy F. Johns, Jr., Overpass.

Referred to Committee on TRANSPORTATION, May 18, 2015.

**No. 1230** By Representatives D. COSTA, DeLUCA, McNEILL, SCHREIBER, COHEN, MURT and MAHONEY

An Act amending the act of November 10, 1999 (P.L.491, No.45), known as the Pennsylvania Construction Code Act, in adoption and enforcement by municipalities, providing for fire protection services fee.

Referred to Committee on LABOR AND INDUSTRY, May 18, 2015.

**No. 1231** By Representatives D. COSTA, DeLUCA, BARBIN, YOUNGBLOOD, PASHINSKI, THOMAS, MULLERY, McNEILL, O'BRIEN, D. MILLER, GERGELY, RAVENSTAHL, COHEN, MAHONEY and ROEBUCK

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in pupils and attendance, further providing for penalties for violation of compulsory attendance requirements; and, in charter schools, providing for attendance and enforcement.

Referred to Committee on EDUCATION, May 18, 2015.

**No. 1232** By Representatives D. COSTA, DeLUCA, THOMAS, MULLERY, O'BRIEN, D. MILLER, RAVENSTAHL and ROEBUCK

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, further providing for funding for charter schools.

Referred to Committee on EDUCATION, May 18, 2015.

**No. 1233** By Representatives QUINN, BAKER, BOBACK, COHEN, CORBIN, D. COSTA, COX, DeLUCA, ENGLISH, EVERETT, FARRY, GILLEN, GROVE, HARPER, J. HARRIS, HELM, HENNESSEY, JAMES, KAUFER, KORTZ, LAWRENCE, McNEILL, MILLARD, MILNE, MURT, O'NEILL, PICKETT, READSHAW, ROZZI, SABATINA, TALLMAN, TOEPEL, TOOHL and WATSON

An Act providing for summaries or copies of patient test results to be sent directly to a patient or the patient's designee when there is a finding of a significant abnormality; and providing for duties of the Department of Health.

Referred to Committee on HEALTH, May 18, 2015.

**No. 1234** By Representatives MARSICO, McGINNIS, DUSH, BLOOM, MILLARD, SACCONI, KAUFFMAN, B. MILLER, DUNBAR, PICKETT, MENTZER, HICKERNELL, KNOWLES, SAYLOR, RAPP, MAJOR, GROVE, LAWRENCE, MILNE, TALLMAN, ZIMMERMAN, FEE, M. K. KELLER and IRVIN

An Act amending the act of August 15, 1961 (P.L.987, No.442), known as the Pennsylvania Prevailing Wage Act, further providing for definitions.

Referred to Committee on LABOR AND INDUSTRY, May 18, 2015.

**No. 1235** By Representatives HANNA, PASHINSKI, THOMAS, McNEILL, ROZZI, O'BRIEN, COHEN, MARKOSEK, HARHAI, GOODMAN and D. COSTA

An Act amending Title 15 (Corporations and Unincorporated Associations) of the Pennsylvania Consolidated Statutes, in corporations generally, adding provisions relating to contributions to campaign finance entities.

Referred to Committee on STATE GOVERNMENT, May 18, 2015.

**No. 1236** By Representatives BRIGGS, M. DALEY, BROWNLEE, SCHLOSSBERG, SCHWEYER, O'BRIEN, ROZZI, YOUNGBLOOD, KINSEY, COHEN and DEAN

An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in inchoate crimes, providing for possession of weapons within certain licensed facilities; and imposing a penalty.

Referred to Committee on JUDICIARY, May 18, 2015.

**No. 1238** By Representatives BARRAR, CARROLL, COHEN, GERGELY, GIBBONS, GINGRICH, HARKINS, McGINNIS, MILLARD, MULLERY, MURT, ROEBUCK, SAYLOR, TOPPER and KORTZ

An Act amending the act of May 22, 1951 (P.L.317, No.69), known as The Professional Nursing Law, further providing for definitions; providing for use of title and abbreviation; and further

providing for clinical nurse specialist and qualifications and for scope of practice for clinical nurse specialist.

Referred to Committee on PROFESSIONAL LICENSURE, May 28, 2015.

**No. 1239** By Representatives BARRAR, BAKER, BENNINGHOFF, V. BROWN, COHEN, D. COSTA, COX, DONATUCCI, DRISCOLL, GIBBONS, GOODMAN, A. HARRIS, MARSHALL, McNEILL, MILLARD, MOUL, MURT, O'NEILL, QUIGLEY, RAPP, READSHAW, SACCONI, SAYLOR, SCHWEYER, TALLMAN, VEREB, WARD and WATSON

An Act amending Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes, providing for the installation of United States Veterans Affairs grave markers and medallions in cemeteries; imposing powers and duties upon the Department of Military and Veterans Affairs and the State Real Estate Commission; and imposing sanctions.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, May 28, 2015.

**No. 1241** By Representatives R. BROWN, ELLIS, GODSHALL, JOZWIAK, MILLARD, D. PARKER and TOPPER

An Act amending Title 66 (Public Utilities) of the Pennsylvania Consolidated Statutes, in general provisions, further providing for the definition of public utility.

Referred to Committee on CONSUMER AFFAIRS, May 28, 2015.

**No. 1242** By Representatives READSHAW, D. COSTA, MILLARD, BARBIN, MURT, FARINA, HELM, KINSEY, HARKINS, THOMAS, BROWNLEE, KOTIK, A. HARRIS, MAHONEY, COHEN, O'BRIEN, McNEILL, DEAN, CARROLL, KAVULICH, GILLEN and SABATINA

An Act amending the act of June 28, 1935 (P.L.477, No.193), referred to as the Enforcement Officer Disability Benefits Law, extending benefits to civilian firefighters and police officers stationed at military installations or facilities in this Commonwealth; and making an editorial change.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, May 28, 2015.

**No. 1243** By Representatives KINSEY, J. HARRIS, MILLARD, ROZZI, SCHREIBER, PASHINSKI, D. COSTA, MURT, DONATUCCI and YOUNGBLOOD

An Act amending the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, in State lottery, further providing for assignability of prizes drawn and providing for withholding prize winnings.

Referred to Committee on GAMING OVERSIGHT, May 28, 2015.

**No. 1244** By Representatives KINSEY, ENGLISH, MILLARD, ROZZI, V. BROWN, GODSHALL, McNEILL, MURT and DONATUCCI



An Act amending Title 18 (Crimes and Offenses) of the Pennsylvania Consolidated Statutes, in forgery and fraudulent practices, providing for academic fraud.

Referred to Committee on JUDICIARY, May 28, 2015.

**No. 1245** By Representatives YOUNGBLOOD, MURT, CRUZ, KINSEY, DAVIS, THOMAS, CALTAGIRONE, MAHONEY, PASHINSKI, BISHOP, V. BROWN, DAVIDSON, DONATUCCI, O'BRIEN, SABATINA, W. KELLER, COHEN and SIMS

An Act amending the act of August 26, 1971 (P.L.351, No.91), known as the State Lottery Law, in State Lottery, further providing for tax exemption.

Referred to Committee on GAMING OVERSIGHT, May 28, 2015.

**No. 1246** By Representatives YOUNGBLOOD, CRUZ, DONATUCCI, KINSEY, DAVIS, THOMAS, CALTAGIRONE, MAHONEY, BISHOP, DAVIDSON, PASHINSKI, O'BRIEN, SABATINA, W. KELLER, COHEN and SIMS

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in personal income tax, further providing for classes of income.

Referred to Committee on FINANCE, May 28, 2015.

**No. 1247** By Representatives REGAN, BURNS, THOMAS, MASSER, DiGIROLAMO, HEFFLEY, P. DALEY, BISHOP, COHEN, KINSEY, HARHART, KILLION, MILLARD, DIAMOND, WARD, MURT, M. K. KELLER, MUSTIO, KAVULICH, FARINA, MAHONEY and O'NEILL

An Act designating a bridge on that portion of Interstate 76 over the Susquehanna River, from York County to Dauphin County, as the Joseph V. Paterno Memorial Bridge.

Referred to Committee on TRANSPORTATION, May 28, 2015.

**No. 1249** By Representatives GROVE, V. BROWN, MURT, THOMAS, R. BROWN, BOBACK, PHILLIPS-HILL, MILLARD, CAUSER, FEE, ZIMMERMAN, WARD, ROEBUCK, MILNE and A. HARRIS

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in enforcement, providing for automated enforcement of failure to stop for school bus with flashing red lights.

Referred to Committee on TRANSPORTATION, May 28, 2015.

**No. 1250** By Representatives DONATUCCI, M. DALEY, YOUNGBLOOD, SCHREIBER, KINSEY, BISHOP, THOMAS, V. BROWN, J. HARRIS, DERMODY, O'BRIEN, COHEN, DAVIDSON, BROWNLEE, BOBACK, SCHLOSSBERG, CALTAGIRONE, McNEILL, FRANKEL, KIRKLAND, KAVULICH, GINGRICH, CARROLL, W. KELLER, GERGELY, SIMS, WATSON, ROEBUCK, READSHAW, GIBBONS and McCARTER

An Act amending the act of December 17, 1959 (P.L.1913, No.694), known as the Equal Pay Law, further providing for the definition of "employee," for collection of unpaid wages and for penalties.

Referred to Committee on LABOR AND INDUSTRY, June 1, 2015.

**No. 1251** By Representatives MURT, ACOSTA, BISHOP, BROWNLEE, COHEN, DEAN, FARINA, KINSEY, McNEILL, ROZZI, SCHLOSSBERG and YOUNGBLOOD

An Act amending the act of October 20, 1966 (3rd Sp.Sess., P.L.96, No.6), known as the Mental Health and Intellectual Disability Act of 1966, further providing for the definition of "mental disability."

Referred to Committee on HUMAN SERVICES, May 28, 2015.

**No. 1252** By Representatives MURT, BISHOP, R. BROWN, BROWNLEE, COHEN, DAVIS, KINSEY, McNEILL, ROEBUCK, ROZZI, SCHLOSSBERG and STAATS

An Act amending Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes, in child protective services, further providing for the definition of "child abuse."

Referred to Committee on CHILDREN AND YOUTH, May 28, 2015.

**No. 1253** By Representatives MUSTIO, KILLION, BLOOM, KOTIK, MURT, ROZZI, THOMAS, MILNE and WATSON

An Act amending the act of May 23, 1945 (P.L.913, No.367), known as the Engineer, Land Surveyor and Geologist Registration Law, further providing for definitions, for continuing professional competency requirements, for exemption from licensure and registration and for status of existing licensees and registrants preserved.

Referred to Committee on PROFESSIONAL LICENSURE, May 28, 2015.

**No. 1254** By Representatives MASSER, MUSTIO, DUNBAR, MILLARD, THOMAS, MURT, PICKETT, CUTLER, WATSON, MACKENZIE, IRVIN, GODSHALL, BAKER, BARRAR, V. BROWN, GIBBONS, DUSH, BLOOM, HAHN, SAINATO, MARSICO, HARHART, LONGIETTI, HEFFLEY, A. HARRIS, LAWRENCE, SONNEY, ZIMMERMAN, WARD, GILLEN and DEAN

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in inheritance tax, further providing for definitions and for transfers not subject to tax.

Referred to Committee on FINANCE, May 28, 2015.

**No. 1255** By Representatives MASSER, ROZZI, KOTIK, MURT, GREINER, MULLERY, STEPHENS, R. BROWN, SCHLOSSBERG, HELM, SCHWEYER, DAVIS, M. DALEY, CAUSER, BARRAR, DeLUCA, CUTLER, MARSHALL, GROVE, WATSON, FEE, HICKERNELL, HARKINS, ROSS, McNEILL, WARD, CONKLIN and PETRI

An Act amending Titles 42 (Judiciary and Judicial Procedure) and 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in budget and finance, further providing for municipal corporation portion of fines, and establishing the Municipal Law Enforcement Accreditation Fund; in rules of the road in general, further providing for speed timing devices; and, in powers of department and local authorities, further providing for State and local powers.

Referred to Committee on JUDICIARY, May 28, 2015.

**No. 1256** By Representatives MASSER, GREINER, MURT, COHEN and GROVE

An Act amending the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, in optional occupational tax elimination, further providing for income tax rate limits.

Referred to Committee on FINANCE, May 28, 2015.

**No. 1257** By Representatives MASSER, HEFFLEY, MILLARD, SANKEY, HARHART, MURT, OBERLANDER, READSHAW, D. COSTA, SONNEY and MOUL

An Act amending the act of February 2, 1966 (1965 P.L.1860, No.586), entitled "An act encouraging landowners to make land and water areas available to the public for recreational purposes by limiting liability in connection therewith, and repealing certain acts," further providing for definitions, for applicability and for liability.

Referred to Committee on TOURISM AND RECREATIONAL DEVELOPMENT, May 28, 2015.

**No. 1260** By Representatives BURNS, DONATUCCI, ELLIS, COHEN, SONNEY, DUSH, THOMAS, KNOWLES, KINSEY, METZGAR, DIGIROLAMO, YOUNGBLOOD, COX, MILLARD, BARRAR, McNEILL, HEFFLEY, TALLMAN, LONGIETTI, READSHAW, BENNINGHOFF, WHEELAND, SANKEY, FARINA, RAPP, MURT, KILLION, PAYNE, HAHN, KIM, W. KELLER, MAJOR, WARD, GROVE, DEASY, GIBBONS, GOODMAN, A. HARRIS and MAHONEY

An Act renaming the bridge on that portion of Township Route 431/436, Cooney Road, over US Route 22 in Munster Township, Cambria County, as the PFC Thomas A. Cooney Memorial Bridge.

Referred to Committee on TRANSPORTATION, June 1, 2015.

**No. 1261** By Representatives MARSICO, MILLARD, GREINER, BLOOM, DUNBAR, CUTLER, KNOWLES, KAUFFMAN, TALLMAN, DUSH, METCALFE, PICKETT, MENTZER, ZIMMERMAN, IRVIN, DELOZIER, WARD, M. K. KELLER, GROVE, SAYLOR, A. HARRIS and ROSS

An Act amending the act of August 15, 1961 (P.L.987, No.442), known as the Pennsylvania Prevailing Wage Act, providing for the definition of "locally funded"; and further providing for the definitions of "maintenance work" and "public work."

Referred to Committee on LABOR AND INDUSTRY, June 1, 2015.

**No. 1262** By Representatives MARSICO, GREINER, MILLARD, HELM, KAUFFMAN, DUNBAR, MILNE, CUTLER, GROVE, PICKETT, ZIMMERMAN, BLOOM, FEE, MENTZER, LAWRENCE, SAYLOR, DELOZIER, WARD and M. K. KELLER

An Act amending the act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act, in procedures for zones, providing for prevailing wages.

Referred to Committee on LABOR AND INDUSTRY, June 1, 2015.

**No. 1263** By Representatives FEE, BROWNEE, COHEN, CUTLER, DAVIS, GREINER, HICKERNELL, JAMES, MARSHALL, MOUL, MURT, QUINN, READSHAW, SCHLOSSBERG and ZIMMERMAN

An Act amending Title 65 (Public Officers) of the Pennsylvania Consolidated Statutes, in open meetings, further providing for executive sessions.

Referred to Committee on STATE GOVERNMENT, June 1, 2015.

**No. 1264** By Representatives FEE, BLOOM, BOBACK, CAUSER, SCHLEGEL CULVER, CUTLER, GIBBONS, GILLEN, GODSHALL, GREINER, HAHN, HICKERNELL, KAUFFMAN, M. K. KELLER, KNOWLES, MAJOR, MENTZER, MILLARD, MURT and ZIMMERMAN

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in tax for education, further providing for definitions and for exclusions.

Referred to Committee on FINANCE, June 1, 2015.

**No. 1265** By Representatives LAWRENCE, CUTLER, BARRAR, COHEN, COX, DIAMOND, DRISCOLL, DUSH, FEE, HICKERNELL, KAVULICH, LEWIS, LONGIETTI, MILLARD, PICKETT, STAATS, THOMAS and YOUNGBLOOD

An Act amending the act of April 28, 1937 (P.L.417, No.105), known as the Milk Marketing Law, in preliminary provisions, further providing for definitions; and, in milk pricing, further providing for terms and method of payment.

Referred to Committee on AGRICULTURE AND RURAL AFFAIRS, June 1, 2015.

**No. 1266** By Representatives MATZIE, GIBBONS, MAHONEY, D. COSTA, HARKINS, DONATUCCI, COHEN, McNEILL, THOMAS, MILLARD, CALTAGIRONE, SCHLOSSBERG and KIRKLAND

An Act amending the act of July 20, 1974 (P.L.537, No.184), referred to as the Honey Sale and Labeling Act, further providing for a standard of identity for manufactured honey.

Referred to Committee on AGRICULTURE AND RURAL AFFAIRS, June 1, 2015.

**No. 1267** By Representatives SCHREIBER, V. BROWN, MURT, McNEILL, HELM, DAVIS, SCHLOSSBERG, BROWNLEE, THOMAS, ROEBUCK, D. COSTA, SCHWEYER, O'BRIEN, COHEN, ROZZI, READSHAW and DEAN

An Act amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, in sexual violence education at institutions of higher education, establishing the Task Force on Campus Intimate Partner Violence and Sexual Assault.

Referred to Committee on EDUCATION, June 1, 2015.

**No. 1268** By Representatives SCHREIBER, ZIMMERMAN, McNEILL, DIAMOND, THOMAS, CUTLER, READSHAW, KINSEY, GROVE and A. HARRIS

An Act amending Title 45 (Legal Notices) of the Pennsylvania Consolidated Statutes, providing for electronic publication of legal notices.

Referred to Committee on JUDICIARY, June 1, 2015.

**No. 1269** By Representatives SONNEY, BIZZARRO, CALTAGIRONE, ELLIS, GIBBONS, HELM, McNEILL, MILLARD, MURT, O'BRIEN, ZIMMERMAN, A. HARRIS and ROSS

An Act authorizing the Department of General Services to lease submerged lands in excess of 25 acres within Erie County, for the assessment, development, construction and operation of utility scale offshore wind, solar or kinetic energy generation facilities; providing for collection of certain lease and royalty payments; establishing the Lake Erie Large Scale Energy System Development Fund; and providing for transfers and distributions from the fund.

Referred to Committee on STATE GOVERNMENT, June 1, 2015.

**No. 1270** By Representatives DUSH, BLOOM, GROVE, HELM, TALLMAN and ZIMMERMAN

An Act amending Title 16 (Counties) of the Pennsylvania Consolidated Statutes, providing for right to work in counties.

Referred to Committee on LABOR AND INDUSTRY, June 1, 2015.

**No. 1271** By Representatives DUSH, MAHONEY, MILLARD, RAPP, THOMAS, WARD and WHEELAND

An Act amending Title 53 (Municipalities Generally) of the Pennsylvania Consolidated Statutes, in municipal authorities, further providing for purposes and powers of authorities.

Referred to Committee on LOCAL GOVERNMENT, June 1, 2015.

**No. 1272** By Representatives DUSH, COHEN, GOODMAN, HELM, IRVIN and SAYLOR

An Act amending Title 35 (Health and Safety) of the Pennsylvania Consolidated Statutes, providing for emergency response payment.

Referred to Committee on VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, June 1, 2015.

## BILLS REPORTED FROM COMMITTEES, CONSIDERED FIRST TIME, AND TABLED

**HB 64, PN 55**

By Rep. HARHART

An Act providing for suicide prevention continuing education.

### PROFESSIONAL LICENSURE.

**HB 325, PN 1342**

By Rep. HARHART

An Act amending the act of December 22, 1983 (P.L.327, No.85), known as the Auctioneer Licensing and Trading Assistant Registration Act, further providing for the title of the act, for definitions, for auctioneer and apprentice auctioneer licenses; providing for sales exempt from license requirements; further providing for status of existing licensees and for applications for initial and renewal licenses; providing for registration of trading assistants and trading assistant companies; further providing for special licensees to furnish bond and for authority to transact business not transferable; repealing provisions relating to auction house license, auction company license, trading assistant registration and nonresident licensees; further providing for reciprocity with other states; repealing provisions relating to licensee and registrant to furnish bond; further providing for no other license or registration required and for list of licensees and registrants; providing for contracts; further providing for records of sales; repealing provisions relating to contracts for conduct of transaction; and further providing for display of licenses, for investigations and enforcement actions, for escrow account, for hearing on charges, for administration and enforcement, for revocation or suspension of license or registration, for issuance of new license or registration pending investigation and decision, for issuance of new license or registration after revocation, for penalties, for actions by unlicensed persons prohibited and for the State Board of Auctioneer Examiners.

### PROFESSIONAL LICENSURE.

**HB 441, PN 1675 (Amended)**

By Rep. TAYLOR

An Act designating a portion of State Route 61 in Schuylkill County, from State Route 443 to State Route 2014, as the Captain Jason B. Jones Memorial Highway.

### TRANSPORTATION.

**HB 582, PN 651**

By Rep. TAYLOR

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in fees, further providing for exemption of persons, entities and vehicles from fees.

### TRANSPORTATION.

**HB 603, PN 677**

By Rep. HARHART

An Act amending the act of July 9, 1987 (P.L.220, No.39), known as the Social Workers, Marriage and Family Therapists and Professional Counselors Act, further providing for State Board of Social Workers, Marriage and Family Therapists and Professional Counselors, for restriction on the use of title "Licensed Marriage and Family Therapist" and for penalties.

### PROFESSIONAL LICENSURE.

**HB 817, PN 966**

By Rep. TAYLOR

An Act designating a bridge on that portion of State Route 3005 over the West Branch of the Susquehanna River, Greenwood Township, Clearfield County, as the 1st Lieutenant Wendell Elbert Ross Memorial Bridge.

## TRANSPORTATION.

**HB 834, PN 1676** (Amended) By Rep. TAYLOR

An Act designating the portion of State Route 443 within the municipal boundaries of Orwigsburg Borough, Schuylkill County, as the Corporal David F. Heiser Memorial Highway.

## TRANSPORTATION.

**HB 870, PN 1677** (Amended) By Rep. TAYLOR

An Act designating a portion of State Route 153 from segment 80 to segment 310 in Clearfield County as the Austin M. Harrier Memorial Highway.

## TRANSPORTATION.

**HB 898, PN 1121** By Rep. TAYLOR

An Act amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in preliminary provisions, further defining "emergency vehicle"; in operation of vehicles, further providing for drivers of emergency vehicles; and, in other required equipment, further providing for visual and audible signals on emergency vehicles and for visual signals on authorized vehicles.

## TRANSPORTATION.

**HB 987, PN 1272** By Rep. TAYLOR

An Act designating a portion of State Route 422 in Lebanon County as the Officer Michael H. Wise II Memorial Highway.

## TRANSPORTATION.

**SB 494, PN 442** By Rep. PICKETT

An Act amending the act of July 11, 1996 (2nd Sp.Sess., P.L.1879, No.10), known as the Flood Insurance Education and Information Act, further providing for flood insurance education and information.

## INSURANCE.

### COMMUNICATIONS FROM UNIVERSITY OF PITTSBURGH AND TEMPLE UNIVERSITY

The SPEAKER. The Speaker acknowledges receipt of the University of Pittsburgh's and Temple University's financial information reports filed pursuant to chapter 15 of the Right-to-Know Law.

(Copies of communications are on file with the Journal clerk.)

### LEAVES OF ABSENCE

The SPEAKER. Are there requests for leaves of absence?

The majority whip, Representative Bryan Cutler, requests leaves of absence for Mike VEREB of Montgomery County for the day and Representative John LAWRENCE of Chester County for the week.

The minority whip, Mike Hanna, requests leaves of absence for Representative DeLUCA of Allegheny County for the day, Representative KOTIK of Allegheny County for the day,

Representative RAVENSTAHL of Allegheny County for the day, and Representative Pete DALEY of Washington County for the day.

Without objection, those leaves of absence will be granted.

### MASTER ROLL CALL

The SPEAKER. The Chair is about to take the master roll call. Members will proceed to vote.

The following roll call was recorded:

#### PRESENT—195

Acosta	Evans	Knowles	Readshaw
Adolph	Everett	Kortz	Reed
Baker	Fabrizio	Krieger	Reese
Barbin	Farina	Lewis	Regan
Barrar	Farry	Longietti	Roae
Benninghoff	Fee	Mackenzie	Roebuck
Bishop	Flynn	Maher	Ross
Bizzarro	Frankel	Mahoney	Rozzi
Bloom	Freeman	Major	Sabatina
Boback	Gabler	Maloney	Saccone
Boyle	Gainey	Markosek	Sainato
Bradford	Galloway	Marshall	Samuelson
Briggs	Gergely	Marsico	Sankey
Brown, R.	Gibbons	Masser	Santarsiero
Brown, V.	Gillen	Matzie	Santora
Brownlee	Gillespie	McCarter	Saylor
Burns	Gingrich	McGinnis	Schemel
Caltagirone	Godshall	McNeill	Schlossberg
Carroll	Goodman	Mentzer	Schreiber
Causar	Greiner	Metcalfe	Schweyer
Christiana	Grove	Metzgar	Simmons
Cohen	Hahn	Miccarelli	Sims
Conklin	Hanna	Millard	Snyder
Corbin	Harhai	Miller, B.	Sonney
Costa, D.	Harhart	Miller, D.	Staats
Costa, P.	Harkins	Milne	Stephens
Cox	Harper	Moul	Sturla
Cruz	Harris, A.	Mullery	Tallman
Culver	Harris, J.	Murt	Taylor
Cutler	Heffley	Mustio	Thomas
Daley, M.	Helm	Nesbit	Tobash
Davidson	Hennessey	Neuman	Toepel
Davis	Hickernell	O'Brien	Toohil
Dawkins	Hill	O'Neill	Topper
Day	Irvin	Oberlander	Truitt
Dean	James	Ortitay	Vitali
Deasy	Jozwiak	Parker, C.	Ward
DeLissio	Kampf	Parker, D.	Warner
Delozier	Kaufert	Pashinski	Waters
Dermody	Kauffman	Payne	Watson
Diamond	Kavulich	Peifer	Wentling
DiGirolamo	Keller, F.	Petrarca	Wheatley
Donatucci	Keller, M.K.	Petri	Wheeland
Driscoll	Keller, W.	Pickett	White
Dunbar	Killion	Pyle	Youngblood
Dush	Kim	Quigley	Zimmerman
Ellis	Kinsey	Quinn	
Emrick	Kirkland	Rader	Turzai,
English	Klunk	Rapp	Speaker
Evankovich			

#### ADDITIONS—0

#### NOT VOTING—0

#### EXCUSED—6

Daley, P.	Kotik	Ravenstahl	Vereb
DeLuca	Lawrence		



## LEAVES ADDED—4

Brown, V.      Dush                      Marsico                      Waters

## LEAVES CANCELED—2

Brown, V.                      Dush

The SPEAKER. One hundred and ninety-five members having voted on the master roll, a quorum is present.

If all members could please take their seats. We are going to turn to visitor recognition, and then we will move into citation presentations. So we have a number of guests.

## GUESTS INTRODUCED

The SPEAKER. Located to the left of the rostrum, the Chair welcomes Keith Gorman, who is interning in Representative Tom Killion's office. Nice to see you. Thank you for being here.

And we are very, very excited, to the left of the rostrum, to have Representative Rob Kauffman's daughter, Abby. Abby, if you could stand. Abby is a freshman at Pennsylvania Virtual Charter School. And, Abby, you are going to get to see if Dad is giving you the full picture as to how it works up here today. Welcome.

### CHELTENHAM HIGH SCHOOL BOYS AND GIRLS INDOOR AND OUTDOOR TRACK TEAMS PRESENTED

The SPEAKER. Representative McCarter is invited to the rostrum at this time for the purpose of presenting citations to the Cheltenham High School Boys and Girls Indoor and Outdoor Track Teams.

Members, if we could give Representative McCarter and his guests our attention, please. Thank you.

Mr. McCARTER. Thank you, Mr. Speaker.

Today I rise to honor the Cheltenham High School Girls and Boys Indoor and Outdoor Track Teams, who recently won both the indoor and outdoor track championships in Pennsylvania.

Mr. Speaker, the whole Cheltenham community is so proud of these young men and women. Not only did they win the State championships they also set new school bests and broke several existing State records. In achieving these impressive feats, the girls indoor team was led by four seniors, one of whom, Ciara Leonard, set an all-time record, State record, while winning the 60-meter hurdles.

In addition, the girls 4-by-200 meter relay set a new State record led by seniors Nicole Burke, Janiel Slowly, Ciara Leonard, and underclassmen Alexis Crosby and Chanel Brissett. Joining these impressive young ladies today is their coach, Kelly Jensen.

Also impressive, Mr. Speaker, is the boys indoor team, who saved the best performances of the season for the highly competitive indoor State track meet and also the outdoor meet, which we will talk about in a second. The boys indoor track team has now earned their second consecutive State championship with a score of over 74 points. They reached this new height under the expert guidance of their coach, Dr. Robert Beale, who is with us today as well.

Keeping with this tradition, the boys outdoor team won the State championship a weekend ago, with senior John Lewis also breaking the outdoor 800-meter record with a time of 1:48.72, second best in the nation this year.

Mr. Speaker, I would like to ask the members to join me in giving these fine young men and women our usual warm welcome and sincere congratulations in winning both the girls and boys State indoor and outdoor track championships. They are an outstanding example of how hard work and perseverance pay off, and I feel privileged to host them on the floor of the House today.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, sir.

## UNCONTESTED CALENDAR

## RESOLUTIONS PURSUANT TO RULE 35

Mr. FABRIZIO called up **HR 340, PN 1566**, entitled:

A Resolution recognizing the month of May 2015 as "Pediatric Stroke Awareness Month" in Pennsylvania.

\* \* \*

Mr. REGAN called up **HR 341, PN 1567**, entitled:

A Resolution designating the week of June 8 through 12, 2015, as "Utility Imposter Awareness Week" in Pennsylvania.

\* \* \*

Mr. ROSS called up **HR 342, PN 1568**, entitled:

A Resolution commemorating the 250th anniversary of the Mason-Dixon Tri-State Marker boundary point for Pennsylvania, Maryland and Delaware and celebrating the dedication of the Tri-State Marker Trail on June 6, 2015.

\* \* \*

Mr. WATERS called up **HR 344, PN 1588**, entitled:

A Resolution designating the month of May 2015 as "Older Americans Month" in Pennsylvania.

\* \* \*

Mr. REGAN called up **HR 345, PN 1589**, entitled:

A Resolution designating June 3, 2015, as "World Clubfoot Day" in Pennsylvania.

On the question,

Will the House adopt the resolutions?

## LEAVE OF ABSENCE

The SPEAKER. The minority whip has indicated that Representative WATERS would like to be marked on leave of absence. That request will be granted.

**CONSIDERATION OF  
RESOLUTIONS PURSUANT TO RULE 35  
CONTINUED**

On the question recurring,  
Will the House adopt the resolutions?

The following roll call was recorded:

**YEAS—194**

Acosta	Evankovich	Klunk	Rapp
Adolph	Evans	Knowles	Readshaw
Baker	Everett	Kortz	Reed
Barbin	Fabrizio	Krieger	Reese
Barrar	Farina	Lewis	Regan
Benninghoff	Farry	Longietti	Roae
Bishop	Fee	Mackenzie	Roebuck
Bizzarro	Flynn	Maher	Ross
Bloom	Frankel	Mahoney	Rozzi
Boback	Freeman	Major	Sabatina
Boyle	Gabler	Maloney	Saccone
Bradford	Gainey	Markosek	Sainato
Briggs	Galloway	Marshall	Samuelson
Brown, R.	Gergely	Marsico	Sankey
Brown, V.	Gibbons	Masser	Santarsiero
Brownlee	Gillen	Matzie	Santora
Burns	Gillespie	McCarter	Saylor
Caltagirone	Gingrich	McGinnis	Schemel
Carroll	Godshall	McNeill	Schlossberg
Causar	Goodman	Mentzer	Schreiber
Christiana	Greiner	Metcalfe	Schweyer
Cohen	Grove	Metzgar	Simmons
Conklin	Hahn	Miccarelli	Sims
Corbin	Hanna	Millard	Snyder
Costa, D.	Harhai	Miller, B.	Sonney
Costa, P.	Harhart	Miller, D.	Staats
Cox	Harkins	Milne	Stephens
Cruz	Harper	Moul	Sturla
Culver	Harris, A.	Mullery	Tallman
Cutler	Harris, J.	Murt	Taylor
Daley, M.	Heffley	Mustio	Thomas
Davidson	Helm	Nesbit	Tobash
Davis	Hennessey	Neuman	Toepel
Dawkins	Hickernell	O'Brien	Toohil
Day	Hill	O'Neill	Topper
Dean	Irvin	Oberlander	Truitt
Deasy	James	Ortitay	Vitali
DeLissio	Jozwiak	Parker, C.	Ward
Delozier	Kampf	Parker, D.	Warner
Dermody	Kaufer	Pashinski	Watson
Diamond	Kauffman	Payne	Wentling
DiGirolamo	Kavulich	Peifer	Wheatley
Donatucci	Keller, F.	Petrarca	Wheeland
Driscoll	Keller, M.K.	Petri	White
Dunbar	Keller, W.	Pickett	Youngblood
Dush	Killion	Pyle	Zimmerman
Ellis	Kim	Quigley	
Emrick	Kinsey	Quinn	Turzai,
English	Kirkland	Rader	Speaker

**NAYS—0**

**NOT VOTING—0**

**EXCUSED—7**

Daley, P.	Kotik	Ravenstahl	Waters
DeLuca	Lawrence	Vereb	

The majority having voted in the affirmative, the question was determined in the affirmative and the resolutions were adopted.

**STATEMENT BY MR. REGAN**

The SPEAKER. At this time Representative Mike Regan is recognized to speak on HR 341.

Members, if we could please give our attention to Representative Regan. Thank you.

Mr. REGAN. Thank you, Mr. Speaker.

Mr. Speaker, I rise today to thank my colleagues for the affirmative vote on HR 341, designating the week of June 8 through June 12 as "Utility Imposter Awareness Week" in Pennsylvania. Commonwealth residents should be safe in their own homes. Sadly, we have come to the point where we have a plague of criminals who impersonate utility workers in order to gain entrance into homes and to victimize our citizens.

This resolution is a declaration of the full House that we will not tolerate this criminal activity, and we seek to raise awareness that this type of crime is all too prevalent in Pennsylvania. We must aid in education efforts to help our residents better protect themselves from criminals who impersonate legitimate utility workers.

Mr. Speaker, it is in the interest of public safety for the Commonwealth to join in a collaborative effort with individuals, utility companies, law enforcement, and community organizations to help prevent utility imposter crimes.

Again, I thank my colleagues for your support of HR 341.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

**UNCONTESTED SUPPLEMENTAL CALENDAR A**

**RESOLUTION PURSUANT TO RULE 35**

Mr. PAYNE called up **HR 354, PN 1628**, entitled:

A Resolution designating June 4, 2015, as "Motorsports Day" and the week of May 30 through June 6, 2015, as "NASCAR Fan Appreciation Week" in Pennsylvania.

On the question,

Will the House adopt the resolution?

The following roll call was recorded:

**YEAS—194**

Acosta	Evankovich	Klunk	Rapp
Adolph	Evans	Knowles	Readshaw
Baker	Everett	Kortz	Reed
Barbin	Fabrizio	Krieger	Reese
Barrar	Farina	Lewis	Regan
Benninghoff	Farry	Longietti	Roae
Bishop	Fee	Mackenzie	Roebuck
Bizzarro	Flynn	Maher	Ross
Bloom	Frankel	Mahoney	Rozzi
Boback	Freeman	Major	Sabatina
Boyle	Gabler	Maloney	Saccone
Bradford	Gainey	Markosek	Sainato
Briggs	Galloway	Marshall	Samuelson

Brown, R.	Gergely	Marsico	Sankey
Brown, V.	Gibbons	Masser	Santarsiero
Brownlee	Gillen	Matzie	Santora
Burns	Gillespie	McCarter	Saylor
Caltagirone	Gingrich	McGinnis	Schemel
Carroll	Godshall	McNeill	Schlossberg
Causar	Goodman	Mentzer	Schreiber
Christiana	Greiner	Metcalf	Schweyer
Cohen	Grove	Metzgar	Simmons
Conklin	Hahn	Miccarelli	Sims
Corbin	Hanna	Millard	Snyder
Costa, D.	Harhai	Miller, B.	Sonney
Costa, P.	Harhart	Miller, D.	Staats
Cox	Harkins	Milne	Stephens
Cruz	Harper	Moul	Sturla
Culver	Harris, A.	Mullery	Tallman
Cutler	Harris, J.	Murt	Taylor
Daley, M.	Heffley	Mustio	Thomas
Davidson	Helm	Nesbit	Tobash
Davis	Hennessey	Neuman	Toepel
Dawkins	Hickernell	O'Brien	Toohil
Day	Hill	O'Neill	Topper
Dean	Irvin	Oberlander	Truitt
Deasy	James	Ortitay	Vitali
DeLissio	Jozwiak	Parker, C.	Ward
Delozier	Kampf	Parker, D.	Warner
Dermody	Kaufer	Pashinski	Watson
Diamond	Kauffman	Payne	Wentling
DiGirolamo	Kavulich	Peifer	Wheatley
Donatucci	Keller, F.	Petrarca	Wheeland
Driscoll	Keller, M.K.	Petri	White
Dunbar	Keller, W.	Pickett	Youngblood
Dush	Killion	Pyle	Zimmerman
Ellis	Kim	Quigley	
Emrick	Kinsey	Quinn	Turzai,
English	Kirkland	Rader	Speaker

NAYS—0

NOT VOTING—0

EXCUSED—7

Daley, P.	Kotik	Ravenstahl	Waters
DeLuca	Lawrence	Vereb	

The majority having voted in the affirmative, the question was determined in the affirmative and the resolution was adopted.

### STATEMENT BY MR. PAYNE

The SPEAKER. And on that resolution, Representative John Payne and Representative Harkins are recognized to speak on HR 354.

Representative Payne and Representative Harkins, you are recognized.

Mr. PAYNE. Thank you, Mr. Speaker.

Mr. Speaker, it is our pleasure to remind the members that this Thursday, the NASCAR (National Association for Stock Car Auto Racing) Hauler Day Parade is occurring right out here on Commonwealth Avenue. The NASCAR haulers themselves will be at the Farm Show Building, available for the public and for our members at 10 a.m., and the parade starts at 11:30, 11:30 a.m., and that is all to support the Pocono Race, which is this Sunday.

Thank you, Mr. Speaker.

### STATEMENT BY MR. HARKINS

Mr. HARKINS. Thank you, Mr. Speaker.

With that, I would just like to add, "Boogity, boogity, boogity, let's go racing!"

The SPEAKER. Thank you, Representatives.

### STATEMENT BY MR. COSTA

The SPEAKER. On unanimous consent, we recognize Representative Paul Costa.

Mr. P. COSTA. Thank you, Mr. Speaker.

Mr. Speaker, while we were away the last couple weeks, the world and all of us lost one of the greatest, I feel one of the greatest entertainers in B.B. King, and unfortunately, since B.B. King had no direct relationship to Pennsylvania, I really could not do a resolution, but I wanted to honor his memory.

Obviously being a big music fan and a big music fan of B.B. King, the world lost a great guitar legend, and I wanted to make sure that it was part of our records throughout history that I believe that B.B. King is the greatest blues guitar player this world has ever seen. B.B., rest in peace.

Thank you, Mr. Speaker.

The SPEAKER. Yes, sir. Thank you.

### REMARKS SUBMITTED FOR THE RECORD

Mr. PETRI submitted the following remarks for the Legislative Journal:

Mr. Speaker, it is my privilege to bring to the attention of the Speaker and the members of the Pennsylvania House of Representatives the name of John F. Gianni III, who has recently been awarded Scouting's highest honor – Eagle Scout.

Mr. Speaker, I would like to read to the members of the House of Representatives the following citation.

Whereas, John F. Gianni III earned the Eagle Award in Scouting. This is the highest award that Boy Scouts can bestow and as such represents great sacrifice and tremendous effort on the part of this young man. John is a member of Troop 147.

Now therefore, Mr. Speaker and members of the House of Representatives, it is my privilege to congratulate and place in the Legislative Journal the name of John F. Gianni III.

### APPROPRIATIONS COMMITTEE MEETING

The SPEAKER. The chairman of the Appropriations Committee, Representative Bill Adolph, is recognized for a notice.

Mr. ADOLPH. Thank you very much, Mr. Speaker.

Mr. Speaker, there will be an immediate Appropriations Committee meeting in the majority caucus room.

Thank you. Immediately.

The SPEAKER. There will be an immediate Appropriations Committee meeting in the majority caucus room.

### REPUBLICAN CAUCUS

The SPEAKER. The majority caucus chair, Representative Sandy Major, is recognized for a caucus notice.

Ms. MAJOR. Thank you, Mr. Speaker.

I would like to announce Republicans will caucus today at 1:45. I would ask our Republican members to please report to our caucus room at 1:45. We would be prepared to come back on the floor, Mr. Speaker, at 3 p.m. Thank you.

The SPEAKER. Thank you very much, Madam Chair.

### DEMOCRATIC CAUCUS

The SPEAKER. The minority caucus chair, Representative Dan Frankel, is recognized for a notice.

Mr. FRANKEL. Thank you, Mr. Speaker.

Democrats will also caucus at 1:45; Democrats will caucus at 1:45. Thank you.

The SPEAKER. Thank you.

### RECESS

The SPEAKER. The House will stand in recess until 3 p.m., unless sooner called back by the Speaker. Thank you.

### AFTER RECESS

The time of recess having expired, the House was called to order.

### BILL REREPORTED FROM COMMITTEE

#### HB 823, PN 1586

By Rep. ADOLPH

An Act amending the act of May 25, 1945 (P.L.1050, No.394), known as the Local Tax Collection Law, further providing for bonds of tax collectors, for basic and continuing education programs for tax collectors, for criminal history record information and for deputy tax collectors.

APPROPRIATIONS.

### LEAVE OF ABSENCE

The SPEAKER. At this time the majority whip has indicated that Representative Ron MARSICO has requested to be on leave of absence. That leave will be granted.

### CALENDAR

### BILLS ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 806, PN 1429**, entitled:

An Act amending the act of December 19, 1974 (P.L.973, No.319), known as the Pennsylvania Farmland and Forest Land Assessment Act of 1974, further providing for responsibilities of department and for responsibilities of county assessor in establishing use values.

On the question,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **HB 175, PN 151**, entitled:

An Act amending the act of April 26, 2006 (P.L.91, No.29), known as the Persian Gulf Conflict Veterans' Benefit Act, further providing for application for compensation and for Commonwealth indebtedness.

On the question,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **HB 579, PN 1449**, entitled:

An Act amending the act of February 24, 1984 (P.L.92, No.17), referred to as the Precious Metal Sale Regulation Law, further providing for definitions, for license required, for records of transactions, for dealer's retention of precious metal and availability for inspection, for purchases from minors and for penalty.

On the question,  
Will the House agree to the bill on second consideration?

Mr. **NEUMAN** offered the following amendment  
No. **A01597**:

Amend Bill, page 1, line 5, by striking out the comma after "**and**" and inserting

Amend Bill, page 1, line 6, by striking out "**AND**" and inserting ; providing for prohibited purchases; and further providing

Amend Bill, page 3, line 7, by striking out the comma after "(C)" and inserting

Amend Bill, page 3, line 8, by striking out ", 5 AND 10"

Amend Bill, page 6, by inserting between lines 3 and 4

Section 3. The act is amended by adding a section to read:

#### Section 5.1. Prohibited purchases.

(a) Prohibition.—A purchaser of precious metals may not use a payment method for precious metals other than a certified check.

(b) Applicability.—This section shall apply to purchases of precious metals on or after the effective date of this section.

Section 4. Section 10 of the act is amended to read:

Amend Bill, page 6, line 20, by striking out "3" and inserting  
5

On the question,  
Will the House agree to the amendment?

### AMENDMENT WITHDRAWN

The SPEAKER. On the question, the Chair recognizes Representative Neuman.

Mr. NEUMAN. Thank you, Mr. Speaker.

The maker of the bill has some very good intentions when it comes to these types of sales, and with that said, I understand what he is doing and I do not want to get in the way of getting this through the House and getting this through the Senate. So at this time I will be withdrawing my amendment. Thank you, Mr. Speaker.

The SPEAKER. Thank you, Mr. Neuman.  
So amendment 1597 has been withdrawn.



On the question recurring,  
Will the House agree to the bill on second consideration?  
Bill was agreed to.

\* \* \*

The House proceeded to second consideration of **SB 293, PN 888**, entitled:

An Act regulating navigators and assisters in the education and promotion of health insurance exchanges.

On the question,  
Will the House agree to the bill on second consideration?

Mr. **FRANKEL** offered the following amendment  
No. **A01633**:

Amend Bill, page 4, by inserting between lines 24 and 25  
(b) Authority.—A navigator or an exchange assister may:  
    (1) Refer an individual to an insurance producer.  
    (2) Provide information or services related to health benefit plans or other products other than those offered in the health insurance marketplace, SHOP Exchange, the Children's Health Insurance Program or product available through the Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.). The navigator or exchange assister shall fairly provide information under this paragraph about the health benefit plan or other product in accordance with Federal law or regulation.  
Amend Bill, page 4, line 25, by striking out "(b)" and inserting  
(c)  
Amend Bill, page 4, line 27, by striking out "explicitly"  
Amend Bill, page 5, lines 5 through 12, by striking out all of said lines  
Amend Bill, page 5, line 15, by striking out "(7)" and inserting  
(6)  
Amend Bill, page 5, line 17, by striking out "(8)" and inserting  
(7)  
Amend Bill, page 5, line 19, by striking out all of said line and inserting  
(8) Issue or deliver

On the question,  
Will the House agree to the amendment?

The **SPEAKER**. On that question, the Chair recognizes Representative Frankel.

Mr. **FRANKEL**. Thank you, Mr. Speaker.

This is a technical amendment that has been agreed to by both chairs of the committee and the stakeholders of this bill. So I urge its passage. Thank you.

The **SPEAKER**. On the question, Representative Pickett, Chairwoman Pickett, please, on the Senate bill and the amendment.

Ms. **PICKETT**. Thank you, Mr. Speaker.

Amendment 01633 is an agreed-to technical amendment, and I want to take a minute to applaud the gentleman for working with the House Insurance Committee on both sides of the aisle for the development of this amendment. Thank you, Mr. Speaker.

The **SPEAKER**. Thank you, Madam Chair.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

#### YEAS—193

Acosta	Evankovich	Klunk	Readshaw
Adolph	Evans	Knowles	Reed
Baker	Everett	Kortz	Reese
Barbin	Fabrizio	Krieger	Regan
Barrar	Farina	Lewis	Roae
Benninghoff	Farry	Longietti	Roebuck
Bishop	Fee	Mackenzie	Ross
Bizzarro	Flynn	Maher	Rozzi
Bloom	Frankel	Mahoney	Sabatina
Boback	Freeman	Major	Saccone
Boyle	Gabler	Maloney	Sainato
Bradford	Gainey	Markosek	Samuelson
Briggs	Galloway	Marshall	Sankey
Brown, R.	Gergely	Masser	Santarsiero
Brown, V.	Gibbons	Matzie	Santora
Brownlee	Gillen	McCarter	Saylor
Burns	Gillespie	McGinnis	Schemel
Caltagirone	Gingrich	McNeill	Schlossberg
Carroll	Godshall	Mentzer	Schreiber
Causar	Goodman	Metcalfe	Schweyer
Christiana	Greiner	Metzgar	Simmons
Cohen	Grove	Miccarelli	Sims
Conklin	Hahn	Millard	Snyder
Corbin	Hanna	Miller, B.	Sonney
Costa, D.	Harhai	Miller, D.	Staats
Costa, P.	Harhart	Milne	Stephens
Cox	Harkins	Moul	Sturla
Cruz	Harper	Mullery	Tallman
Culver	Harris, A.	Murt	Taylor
Cutler	Harris, J.	Mustio	Thomas
Daley, M.	Heffley	Nesbit	Tobash
Davidson	Helm	Neuman	Toepel
Davis	Hennessey	O'Brien	Toohil
Dawkins	Hickernell	O'Neill	Topper
Day	Hill	Oberlander	Truitt
Dean	Irvin	Ortity	Vitali
Deasy	James	Parker, C.	Ward
DeLissio	Jozwiak	Parker, D.	Warner
Delozier	Kampf	Pashinski	Watson
Dermody	Kaufer	Payne	Wentling
Diamond	Kauffman	Peifer	Wheatley
DiGirolamo	Kavulich	Petrarca	Wheeland
Donatucci	Keller, F.	Petri	White
Driscoll	Keller, M.K.	Pickett	Youngblood
Dunbar	Keller, W.	Pyle	Zimmerman
Dush	Killion	Quigley	
Ellis	Kim	Quinn	Turzai,
Emrick	Kinsey	Rader	Speaker
English	Kirkland	Rapp	

#### NAYS—0

#### NOT VOTING—0

#### EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question,  
Will the House agree to the bill on second consideration as amended?  
Bill as amended was agreed to.

The SPEAKER. The bill as amended will be reprinted.

### LEAVE OF ABSENCE

The SPEAKER. The minority whip has indicated that Representative Vanessa BROWN of Philadelphia County has requested leave. That leave will be granted.

### BILL ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 792, PN 938**, entitled:

An Act amending the act of December 3, 1959 (P.L.1688, No.621), known as the Housing Finance Agency Law, further providing for the Housing Affordability and Rehabilitation Enhancement Fund.

On the question,  
Will the House agree to the bill on second consideration?

Ms. **HARPER** offered the following amendment  
No. **A00982**:

Amend Bill, page 2, line 32, by inserting after "reduce"  
or prohibit increased

On the question,  
Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes Representative Harper for a brief description of the amendment.

Ms. HARPER. The amendment clarifies that the keystone park and recreation fund will not be reduced as a result of this bill. I believe it is agreed to by both sides.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

#### YEAS—192

Acosta	Evans	Knowles	Readshaw
Adolph	Everett	Kortz	Reed
Baker	Fabrizio	Krieger	Reese
Barbin	Farina	Lewis	Regan
Barrar	Farry	Longietti	Roae
Benninghoff	Fee	Mackenzie	Roebuck
Bishop	Flynn	Maher	Ross
Bizzarro	Frankel	Mahoney	Rozzi
Bloom	Freeman	Major	Sabatina
Boback	Gabler	Maloney	Saccone
Boyle	Gainey	Markosek	Sainato
Bradford	Galloway	Marshall	Samuelson
Briggs	Gergely	Masser	Sankey
Brown, R.	Gibbons	Matzie	Santarsiero
Brownlee	Gillen	McCarter	Santora
Burns	Gillespie	McGinnis	Saylor
Caltagirone	Gingrich	McNeill	Schemel
Carroll	Godshall	Mentzer	Schlossberg
Causar	Goodman	Metcalfe	Schreiber
Christiana	Greiner	Metzgar	Schweyer
Cohen	Grove	Miccarelli	Simmons
Conklin	Hahn	Millard	Sims

Corbin	Hanna	Miller, B.	Snyder
Costa, D.	Harhai	Miller, D.	Sonney
Costa, P.	Harhart	Milne	Staats
Cox	Harkins	Moul	Stephens
Cruz	Harper	Mullery	Sturla
Culver	Harris, A.	Murt	Tallman
Cutler	Harris, J.	Mustio	Taylor
Daley, M.	Heffley	Nesbit	Thomas
Davidson	Helm	Neuman	Tobash
Davis	Hennessey	O'Brien	Toepel
Dawkins	Hickernell	O'Neill	Toohil
Day	Hill	Oberlander	Topper
Dean	Irvin	Ortitay	Truitt
Deasy	James	Parker, C.	Vitali
DeLissio	Jozwiak	Parker, D.	Ward
Delozier	Kampf	Pashinski	Warner
Dermody	Kaufer	Payne	Watson
Diamond	Kauffman	Peifer	Wentling
DiGirolamo	Kavulich	Petrarca	Wheatley
Donatucci	Keller, F.	Petri	Wheeland
Driscoll	Keller, M.K.	Pickett	White
Dunbar	Keller, W.	Pyle	Youngblood
Dush	Killion	Quigley	Zimmerman
Ellis	Kim	Quinn	
Emrick	Kinsey	Rader	Turzai,
English	Kirkland	Rapp	Speaker
Evankovich	Klunk		

#### NAYS—0

#### NOT VOTING—0

#### EXCUSED—9

Brown, V.	Kotik	Marsico	Vereb
Daley, P.	Lawrence	Ravenstahl	Waters
DeLuca			

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question,  
Will the House agree to the bill on second consideration as amended?  
Bill as amended was agreed to.

The SPEAKER. The bill as amended will be reprinted.

### SUPPLEMENTAL CALENDAR B

### BILL ON THIRD CONSIDERATION

The House proceeded to third consideration of **HB 823, PN 1586**, entitled:

An Act amending the act of May 25, 1945 (P.L.1050, No.394), known as the Local Tax Collection Law, further providing for bonds of tax collectors, for basic and continuing education programs for tax collectors, for criminal history record information and for deputy tax collectors.

On the question,  
Will the House agree to the bill on third consideration?  
Bill was agreed to.

(Bill analysis was read.)

The SPEAKER. This bill has been considered on three different days and agreed to and is now on final passage.

The question is, shall the bill pass finally?

Agreeable to the provisions of the Constitution, the yeas and nays will now be taken.

The following roll call was recorded:

## YEAS—191

Acosta	Evans	Klunk	Readshaw
Adolph	Everett	Knowles	Reed
Baker	Fabrizio	Kortz	Reese
Barbin	Farina	Krieger	Regan
Barrar	Farry	Lewis	Roae
Benninghoff	Fee	Longietti	Roebuck
Bishop	Flynn	Mackenzie	Ross
Bizzarro	Frankel	Maher	Rozzi
Bloom	Freeman	Mahoney	Sabatina
Boback	Gabler	Major	Saccone
Boyle	Gainey	Maloney	Sainato
Bradford	Galloway	Markosek	Samuelson
Briggs	Gergely	Marshall	Sankey
Brown, R.	Gibbons	Masser	Santarsiero
Brownlee	Gillen	Matzie	Santora
Burns	Gillespie	McCarter	Saylor
Caltagirone	Gingrich	McGinnis	Schemel
Carroll	Godshall	McNeill	Schlossberg
Causar	Goodman	Mentzer	Schreiber
Christiana	Greiner	Metcalfe	Schweyer
Cohen	Grove	Metzgar	Simmons
Conklin	Hahn	Miccarelli	Sims
Corbin	Hanna	Millard	Snyder
Costa, D.	Harhai	Miller, B.	Sonney
Costa, P.	Harhart	Miller, D.	Staats
Cox	Harkins	Milne	Stephens
Cruz	Harper	Moul	Sturla
Culver	Harris, A.	Mullery	Tallman
Cutler	Harris, J.	Murt	Taylor
Daley, M.	Heffley	Mustio	Thomas
Davidson	Helm	Nesbit	Tobash
Davis	Hennessey	Neuman	Toepel
Dawkins	Hickernell	O'Brien	Toohil
Day	Hill	O'Neill	Topper
Dean	Irvin	Oberlander	Truitt
Deasy	James	Ortitay	Vitali
DeLissio	Jozwiak	Parker, C.	Ward
Delozier	Kampf	Pashinski	Warner
Dermody	Kaufer	Payne	Watson
Diamond	Kauffman	Peifer	Wentling
DiGirolamo	Kavulich	Petrarca	Wheatley
Donatucci	Keller, F.	Petri	Wheeland
Driscoll	Keller, M.K.	Pickett	White
Dunbar	Keller, W.	Pyle	Youngblood
Dush	Killion	Quigley	Zimmerman
Ellis	Kim	Quinn	
Emrick	Kinsey	Rader	Turzai,
English	Kirkland	Rapp	Speaker
Evankovich			

## NAYS—1

Parker, D.

## NOT VOTING—0

## EXCUSED—9

Brown, V.	Kotik	Marsico	Vereb
Daley, P.	Lawrence	Ravenstahl	Waters
DeLuca			

The majority required by the Constitution having voted in the affirmative, the question was determined in the affirmative and the bill passed finally.

Ordered, That the clerk present the same to the Senate for concurrence.

## CALENDAR CONTINUED

## BILLS ON SECOND CONSIDERATION

The House proceeded to second consideration of **HB 1192, PN 1550**, entitled:

An Act to provide from the General Fund for the expenses of the Executive and Judicial Departments, the State Government Support Agencies and the General Assembly of the Commonwealth, the public debt and the public schools for the fiscal year July 1, 2015, to June 30, 2016, for certain institutions and organizations, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2015; to provide appropriations from the State Lottery Fund, the Tobacco Settlement Fund, the Aviation Restricted Account, the Hazardous Material Response Fund, The State Stores Fund, the Milk Marketing Fund, the Home Investment Trust Fund, the Emergency Medical Services Operating Fund, the Tuition Account Guaranteed Savings Program Fund, the Banking Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund, the Oil and Gas Lease Fund, the Home Improvement Account, the Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund, the Insurance Regulation and Oversight Fund and the Pennsylvania Racehorse Development Restricted Receipt Account, to the Executive Department; to provide appropriations from the Judicial Computer System Augmentation Account to the Judicial Department for the fiscal year July 1, 2015, to June 30, 2016; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2015, to June 30, 2016, for the proper operation of several departments of the Commonwealth and the Pennsylvania State Police authorized to spend Motor License Fund moneys; to provide for the appropriation of Federal funds to the Executive Department of the Commonwealth and for the payment of bills remaining unpaid at the close of the fiscal year ending June 30, 2015.

On the question,

Will the House agree to the bill on second consideration?

**Mr. DiGIROLAMO** offered the following amendment  
**No. A01678:**

Amend Bill, page 51, line 22, by striking out all of said line and inserting

State appropriation ..... 28,253,000

Amend Bill, page 53, by inserting between lines 13 and 14  
For an Emergency Addiction

Treatment Fund for residential  
addiction treatment.

State appropriation ..... 20,000,000

Amend Bill, page 124, line 4, by striking out all of said line and inserting

State appropriation ..... 119,647,000

On the question,

Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes Representative DiGirolamo.

Mr. DiGIROLAMO. Thank you, Mr. Speaker.

Mr. Speaker, I am offering this amendment today, Mr. Speaker, because I think you all know that we are absolutely in the middle of a drug crisis and epidemic here in

Pennsylvania. And, Mr. Speaker, I am sick and tired of talking to parents and family members with dead children, Mr. Speaker, and I am going to say it again. I am sick of talking to parents who have dead kids from these drug overdoses, specifically these opiates and heroin.

Go back to your county SCAs (State coroners associations), who are your drug and alcohol people, and ask them. They have been out of money for a number of months. They have very, very little money, Mr. Speaker. They have rationed it. They might have money the first week or two of every month. Our prisons are filled with people who have committed crimes because of these addictions, and when people cannot get into treatment, Mr. Speaker, where do they end up? They end up in the emergency room, they end up incarcerated, and many times, unfortunately, Mr. Speaker, in every one of our districts they end up at the morgue.

And I am going to hold up the report on overdose deaths from the State Coroners Association for 2014, Mr. Speaker. Almost 2,500 deaths across Pennsylvania because of these drugs, 2,500, and that is without 13 counties reporting. Some of the numbers from the coroners' report, Mr. Speaker, county numbers, and I would ask everybody to listen up: Allegheny, 303 deaths; Berks, 64 deaths; Bucks County, my home county, 205 overdose deaths; Butler, 33 deaths; Chester, 82; Delaware County, 149 deaths; Erie, 60; Lancaster, 56; Luzerne, 67; Philadelphia, 611 overdose deaths in 2014; Westmoreland, 87; York County, 120 deaths from these drugs, Mr. Speaker. It is a crime, it is an absolute crime, Mr. Speaker.

This money – I am proposing an Emergency Addiction Treatment Fund of \$20 million – this money will be available to each and every one of our counties when our SCAs run out of money. Mr. Speaker, addiction is a disease, and treatment works, Mr. Speaker. Treatment is highly successful if you get the right kind of treatment for the proper length of stay, and that is what this \$20 million will do. It will go into an emergency fund for residential rehab, Mr. Speaker.

I know what the budget process is, Mr. Speaker, but I think it is important today that we send a message from the House, send a message to the administration, send a message over to the Senate that we want to take this issue very seriously, that we are tired of the deaths across Pennsylvania, that we are tired of families who are burying their sons and daughters, Mr. Speaker. Let us send a message.

Let us vote "yes" on my amendment, amendment 1678. Thank you.

The SPEAKER. Do any other members wish to be recognized on the amendment?

Representative Barbin.

Mr. BARBIN. Thank you, Mr. Speaker.

I rise in support of this amendment. We have spent the last 2 years identifying a problem which has gone beyond our control, it is beyond the control of law enforcement, it is beyond the control of education, it is beyond the control of rehabilitation. We are now in a position where we know that heroin overdoses are not being handled with the money that we have appropriated for drug and alcohol. We know that the rehabilitation that needs to be done cannot be done in 30 days. Residential treatment for 30 days is a waste of money. Residential treatment has to be long enough in order to address long-term addiction problems. This money is more than overdue.

Our Judiciary, we have spent a whole year in every part of the Commonwealth identifying how bad this heroin and OxyContin problem is, but we have not put money aside to do it. We have to decide this is our high priority. If we do not, we are going to lose a whole new generation, not just of kids coming out of schools, but workers that instead of using pain pills, switch to heroin. We need treatment programs that work. Our programs right now are 30 days. They do not work. If we do not put this money into our budget, we are going to have the same problem we have had for the last few years. People go into these programs for 30 days; they come out. It is just a question of time before they move into the corrections system and then we are paying \$33,000 a year.

So again, I ask everyone, this is a problem that needs real attention. This should be our priority, and I ask everyone to support the amendment.

On the question recurring,  
Will the House agree to the amendment?

(Members proceeded to vote.)

### LEAVE OF ABSENCE CANCELED

The SPEAKER. Representative Vanessa Brown has indicated to be put back on the record. That will be granted. Representative Brown is placed back on the record.

### CONSIDERATION OF HB 1192 CONTINUED

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

YEAS—163

Acosta	Emrick	Killion	Quinn
Adolph	Evankovich	Kim	Rader
Baker	Evans	Kinsey	Readshaw
Barbin	Everett	Kirkland	Reed
Barrar	Fabrizio	Klunk	Reese
Bishop	Farina	Knowles	Regan
Bizzarro	Farry	Kortz	Roebuck
Bloom	Fee	Krieger	Ross
Boback	Flynn	Lewis	Rozzi
Boyle	Frankel	Longietti	Sabatina
Bradford	Freeman	Mackenzie	Saccone
Briggs	Gainey	Maher	Sainato
Brown, R.	Galloway	Mahoney	Samuelson
Brown, V.	Gergely	Major	Santarsiero
Brownlee	Gibbons	Maloney	Santora
Burns	Gillen	Markosek	Saylor
Caltagirone	Gillespie	Marshall	Schemel
Carroll	Gingrich	Matzie	Schlossberg
Causser	Godshall	McCarter	Schreiber
Christiana	Goodman	McNeill	Schweyer
Cohen	Greiner	Mentzer	Simmons
Conklin	Hahn	Miccarelli	Sims
Corbin	Hanna	Millard	Snyder
Costa, D.	Harhai	Miller, D.	Sonney
Costa, P.	Harhart	Milne	Staats
Cox	Harkins	Moul	Stephens
Cruz	Harper	Mullery	Sturla
Daley, M.	Harris, A.	Murt	Taylor
Davidson	Harris, J.	Mustio	Thomas
Davis	Heffley	Nesbit	Tobash



Dawkins	Helm	Neuman	Toohil
Day	Hennessey	O'Brien	Truitt
Dean	Hickernell	O'Neill	Vitali
Deasy	Hill	Parker, C.	Ward
DeLissio	James	Parker, D.	Watson
Delozier	Kampf	Pashinski	Wheatley
Dermody	Kaufer	Payne	Wheeland
DiGirolamo	Kauffman	Peifer	White
Donatucci	Kavulich	Petrarca	Youngblood
Driscoll	Keller, M.K.	Petri	Zimmerman
Dunbar	Keller, W.	Quigley	

## NAYS—30

Benninghoff	Grove	Miller, B.	Tallman
Culver	Irvin	Oberlander	Toepel
Cutler	Jozwiak	Ortitay	Topper
Diamond	Keller, F.	Pickett	Warner
Dush	Masser	Pyle	Wentling
Ellis	McGinnis	Rapp	
English	Metcalfe	Roae	Turzai,
Gabler	Metzgar	Sankey	Speaker

## NOT VOTING—0

## EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question,

Will the House agree to the bill on second consideration as amended?

Mr. **TALLMAN** offered the following amendment No. **A01702**:

Amend Bill, page 57, line 9, by striking out all of said line and inserting

State appropriation..... 56,291,000

Amend Bill, page 63, line 17, by striking out all of said line and inserting

State appropriation..... 55,507,000

On the question,

Will the House agree to the amendment?

The **SPEAKER**. On that question, the Chair recognizes Representative Tallman.

Mr. **TALLMAN**. Mr. Speaker, I just wish all the members' support.

What this does is very simple. It takes \$2 million out of the Pennsylvania assessment line item and moves it into the public library subsidy line item.

My first year here in the Pennsylvania House, that 2009-10 budget year, we reduced public library funding by 14 percent. The year subsequent to that, it was reduced by an even greater amount. And so the library funding has been cut rather substantially.

So all this does is take \$2 million out of the PA assessment line item and puts it into the public library subsidy line item. The PA assessment line item has \$78 million in it. All of us here in this chamber have received e-mails on both Keystone exams and PSSAs (Pennsylvania System of School Assessment). Well, this is where that funding comes from, that line item.

So I am urging the members' support for amendment A1702. Thank you.

The **SPEAKER**. Does any other member wish to be recognized on this amendment?

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

## YEAS—187

Acosta	Everett	Knowles	Rapp
Adolph	Fabrizio	Kortz	Readshaw
Baker	Farina	Krieger	Reed
Barbin	Farry	Lewis	Reese
Barrar	Fee	Longietti	Regan
Benninghoff	Flynn	Mackenzie	Roae
Bishop	Frankel	Maher	Roebuck
Bizzarro	Freeman	Mahoney	Ross
Bloom	Gabler	Major	Rozzi
Boback	Gainey	Maloney	Sabatina
Boyle	Galloway	Markosek	Saccone
Bradford	Gergely	Marshall	Sainato
Briggs	Gibbons	Masser	Samuelson
Brown, R.	Gillen	Matzie	Sankey
Brown, V.	Gillespie	McCarter	Santarsiero
Brownlee	Gingrich	McGinnis	Santora
Burns	Godshall	McNeill	Saylor
Caltagirone	Goodman	Mentzer	Schlossberg
Carroll	Greiner	Metcalfe	Schreiber
Causser	Hahn	Metzgar	Schweyer
Christiana	Hanna	Miccarelli	Simmons
Cohen	Harhai	Millard	Sims
Conklin	Harhart	Miller, B.	Snyder
Corbin	Harkins	Miller, D.	Sonney
Costa, D.	Harper	Milne	Staats
Costa, P.	Harris, A.	Moul	Stephens
Cox	Harris, J.	Mullery	Sturla
Cruz	Heffley	Murt	Tallman
Culver	Helm	Mustio	Taylor
Daley, M.	Hennessey	Nesbit	Thomas
Davidson	Hickernell	Neuman	Tobash
Davis	Hill	O'Brien	Toepel
Dawkins	Irvin	O'Neill	Toohil
Day	James	Oberlander	Truitt
Dean	Jozwiak	Ortitay	Vitali
Deasy	Kampf	Parker, C.	Ward
Delozier	Kaufer	Parker, D.	Warner
Dermody	Kauffman	Pashinski	Watson
DiGirolamo	Kavulich	Payne	Wentling
Donatucci	Keller, F.	Peifer	Wheatley
Driscoll	Keller, M.K.	Petrarca	Wheeland
Dunbar	Keller, W.	Petri	White
Dush	Killion	Pickett	Youngblood
Ellis	Kim	Pyle	Zimmerman
Emrick	Kinsey	Quigley	
English	Kirkland	Quinn	Turzai,
Evankovich	Klunk	Rader	Speaker
Evans			

## NAYS—6

Cutler	Diamond	Schemel	Topper
DeLissio	Grove		

## NOT VOTING—0

## EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

Mr. **MILLARD** offered the following amendment No. **A01706**:

Amend Bill, page 41, by inserting between lines 21 and 22  
For payments to Pennsylvania fairs.

State appropriation.....	1,000,000
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Amend Bill, page 70, line 9, by striking out all of said line and inserting

State appropriation.....	61,387,000
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On the question,

Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes the good gentleman, Representative Millard.

Mr. MILLARD. Thank you, Mr. Speaker.

What this amendment will do is to restore to the funding of a decade ago the allotment to the Pennsylvania fairs. This million dollars will be taken from General Services, and it will be an accent to the \$3 million that is currently extracted out of the Pennsylvania Race Horse Development Fund.

What this money will do, it will enable the 109 economic engines across our Commonwealth that support 4-H and FFA (Future Farmers of America) and dairy, all on their way to the Farm Show, with the appropriate amount of funding that will enable these groups to not only participate in the fairs with the premiums but to accent their journey on their way to the Farm Show for the yearly extravaganza in Pennsylvania.

So I would ask the members for an affirmative vote on this. Thank you, Mr. Speaker.

The SPEAKER. Does anybody else wish to be recognized on this amendment?

On the question recurring,

Will the House agree to the amendment?

The following roll call was recorded:

## YEAS—172

Acosta	Everett	Kirkland	Readshaw
Adolph	Fabrizio	Knowles	Reed
Baker	Farina	Kortz	Reese
Barbin	Farry	Krieger	Regan

Barrar	Fee	Lewis	Roae
Benninghoff	Flynn	Longietti	Roebuck
Bishop	Frankel	Mackenzie	Ross
Bizzarro	Freeman	Maher	Rozzi
Bloom	Gabler	Mahoney	Sabatina
Boback	Gainey	Major	Saccone
Boyle	Galloway	Maloney	Sainato
Bradford	Gergely	Markosek	Samuelson
Briggs	Gibbons	Marshall	Sankey
Brown, R.	Gillen	Masser	Santora
Brown, V.	Gillespie	Matzie	Saylor
Brownlee	Gingrich	McNeill	Schlossberg
Burns	Godshall	Mentzer	Schweyer
Caltagirone	Goodman	Metcalfe	Simmons
Carroll	Greiner	Metzgar	Sims
Causar	Hahn	Miccarelli	Snyder
Christiana	Hanna	Millard	Sonney
Cohen	Harhai	Milne	Staats
Conklin	Harhart	Moul	Stephens
Corbin	Harkins	Mullery	Sturla
Costa, D.	Harris, A.	Murt	Tallman
Costa, P.	Harris, J.	Mustio	Taylor
Cox	Heffley	Neuman	Thomas
Cruz	Helm	O'Brien	Tobash
Culver	Hennessey	O'Neill	Toepel
Cutler	Hickernell	Oberlander	Toohil
Davidson	Hill	Parker, C.	Truitt
Day	Irvin	Parker, D.	Ward
Dean	James	Pashinski	Warner
Deasy	Jozwiak	Payne	Watson
DeLissio	Kampf	Peifer	Wentling
Delozier	Kaufert	Petrarca	Wheatley
DiGirolamo	Kauffman	Petri	Wheeland
Donatucci	Kavulich	Pickett	White
Driscoll	Keller, F.	Pyle	Youngblood
Dush	Keller, M.K.	Quigley	Zimmerman
Ellis	Keller, W.	Quinn	
Emrick	Killion	Rader	Turzai,
English	Kim	Rapp	Speaker
Evans	Kinsey		

## NAYS—21

Daley, M.	Evankovich	McGinnis	Santarsiero
Davis	Grove	Miller, B.	Schemel
Dawkins	Harper	Miller, D.	Schreiber
Dermody	Klunk	Nesbit	Topper
Diamond	McCarter	Ortity	Vitali
Dunbar			

## NOT VOTING—0

## EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was agreed to.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

The SPEAKER. It is my understanding that Representative Cohen has withdrawn amendment 1705 and that Representative Thomas has withdrawn all of his amendments.

Representative Thomas is recognized.

Mr. THOMAS. Mr. Speaker, thank you for consideration of these amendments. It is being withdrawn on this, but the program, because of the value of the programs, we will be looking to entertain them before we resolve this process. So at this point I will be withdrawing them.

The SPEAKER. Thank you very much, Representative Thomas.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

### MOTION TO SUSPEND RULES

The SPEAKER. The amendments that are left to be addressed are late-filed amendments.

At this time the Chair recognizes the good gentleman, Democratic Appropriations chair Joe Markosek. I believe the amendment that he seeks to call up and then ask for a motion would be amendment 1728?

Representative Markosek, for the purpose of a motion.

Mr. MARKOSEK. Thank you, Mr. Speaker.

Mr. Speaker, I rise to ask all members to support a suspension of the rules so that I can offer my amendment, 1728. I offer a motion to suspend the rules because the underlying bill, HB 1192, for the most part, is the current fiscal year's spending plan, which is not a viable plan for consideration for next year.

Last year's budget was full of gimmicks, raided special funds, and basically amounted to nothing more than a shell game, a shell game that led, in part, to downgrades in our credit rating.

I offer a motion to suspend the rules because if the majority party advances last year's budget bill, it would send a message to the credit rating agencies that it is business as usual here in Pennsylvania. I do not know about you, but for the people I represent, the status quo is not working.

As I am sure everyone is painfully aware, the Commonwealth is facing a significant structural deficit, in the neighborhood of \$2 billion. I offer a motion to suspend the rules because HB 1192 completely ignores that. HB 1192 in its current form fails to address the structural deficit, fails to deal with mandatory spending increases, fails to provide any additional support for our schools and universities.

I offer a motion to suspend the rules because we do not have enough revenue to support the cost of current programs in next year's budget. Therefore, HB 1192 would result in draconian budget cuts for many State programs and services. Conversely, on May 7 of this year, I introduced the Governor's budget proposal, HB 1125, which is a real, comprehensive spending plan for the next fiscal year.

I offer a motion to suspend the rules to meaningfully restore the cuts to pre-K through 12 and higher education and invest in special education, early childhood education, and initiatives to prepare students for careers after high school.

I offer a motion to suspend the rules to restore over 3 years of harmful cuts to our county-run human service programs and expand human county-based services.

I offer a motion to suspend the rules to provide for our most vulnerable citizens by reducing the waiting list for individuals with intellectual disabilities and adults with autism.

I offer a motion to suspend the rules to provide targeted investments to spur job creation and support several job-training, employment, and manufacturing initiatives.

Today is the first day of June. In order to pass a budget by June 30, we need to move a viable spending plan, a viable spending plan forward for consideration and debate. I ask all members to support a suspension of the rules to consider my amendment, 01728.

Thank you, Mr. Speaker.

The SPEAKER. Thank you, Representative.

### BILL PASSED OVER TEMPORARILY

The SPEAKER. At this time we are going to go over HB 1192. That will be temporarily.

\* \* \*

The House proceeded to second consideration of **HB 283, PN 282**, entitled:

An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in tax for education, further providing for exclusions from sales and use tax.

On the question,

Will the House agree to the bill on second consideration?

### LEAVE OF ABSENCE

The SPEAKER. The majority whip has asked that Representative DUSH of Jefferson County be placed on leave. That leave request will be granted.

### CONSIDERATION OF HB 283 CONTINUED

On the question recurring,

Will the House agree to the bill on second consideration?

Mr. **GROVE** offered the following amendment No. **A00808**:

Amend Bill, page 1, lines 10 and 11, by striking out " in tax for education, further providing for" in line 10 and all of line 11 and inserting  
in tax for education, further providing for definitions, for imposition of tax, for computation of tax, for exclusions from tax, for credit against tax, for licenses, for definitions, for imposition of tax, for time for filing returns, for tax held in trust for the Commonwealth, for discount, for assessment to recover erroneous refunds, for refund of sales tax attributed to bad debt, for refunds, providing for assessment after refunds, further providing for interest, for additions to tax, for crimes and for keeping of records; and providing for transfers;  
in personal income tax, further providing for imposition, for classes of income and for special poverty provisions; establishing the Property Tax and Rent Relief Account; and providing for restricted account and transfers to the Property Tax Relief Fund;  
in corporate net income tax, further providing for definitions, for imposition, for reports and for payment of tax;  
in bank and trust company shares, further providing for imposition, for taxable amount, for apportionment and for definitions;  
in cigarette tax, further providing for incidence and rate of tax and for floor tax;  
providing for education reinvestment by imposing a severance tax and

a certain impact fee;  
 providing for a tobacco products tax;  
 providing for allocation of tax revenues and for property tax relief and relief for renters;  
 providing for a manufacturing tax credit; prohibiting certain agreements under the Promoting Employment Across Pennsylvania Act;  
 in general provisions, further providing for underpayment of estimated tax;  
 providing for transfers to a restricted account for the purpose of the Public School Employees' Retirement Fund and to a city of first class in accordance with the Municipal Pension Plan Funding Standard and Recovery Act and for payment of additional cigarette tax;  
 and repealing provisions of the Taxpayer Relief Act and the Promoting Employment Across Pennsylvania Act.  
 Amend Bill, page 1, lines 14 through 22; page 2, lines 1 through 12; by striking out all of said lines on said pages and inserting Section 1. The title of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended to read:

#### 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 allocation of tax revenues, for property tax relief and relief for renters and 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.

Section 1.1. Section 201(a), (b), (c), (f), (g), (i), (k), (m), (o), (w), (y), (ll), (pp), (qq) and (tt) of the act, amended or added August 4, 1991 (P.L.97, No.22), December 13, 1991 (P.L.373, No.40), June 30, 1995 (P.L.139, No.21), May 7, 1997 (P.L.85, No.7), April 23, 1998 (P.L.239, No.45), May 24, 2000 (P.L.106, No.23), June 29, 2002 (P.L.559, No.89) and July 25, 2007 (P.L.373, No.55), are amended and the section is amended by adding subsections 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."

(1) 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 or any beverage commonly referred to as energy drinks and flavored water of any type.

(2) 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."

(1) Having, maintaining or using within this Commonwealth, either directly or through a subsidiary, representative or an agent, an office, distribution house, sales house, warehouse, service enterprise or other place of business; or any agent of general or restricted authority, or representative, irrespective of whether the place of business, representative or agent is located here, permanently or temporarily, or

whether the person or subsidiary maintaining the place of business, representative or agent is authorized to do business within this Commonwealth.

(1.1) Providing taxable services within this Commonwealth.

(2) Engaging in any activity as a business within this Commonwealth by any person, either directly or through a subsidiary, representative or an agent, in connection with the lease, sale or delivery of tangible personal property or the performance of services thereon for use, storage or consumption or in connection with the sale or delivery for use of the services described in subclauses (11) through [(18)] (20) of clause (k) of this section, including, but not limited to, having, maintaining or using any office, distribution house, sales house, warehouse or other place of business, any stock of goods or any solicitor, canvasser, salesman, representative or agent under its authority, at its direction or with its permission, regardless of whether the person or subsidiary is authorized to do business in this Commonwealth.

(3) Regularly or substantially soliciting orders within this Commonwealth in connection with the lease, sale or delivery of tangible personal property to or the performance thereon of services or in connection with the sale or delivery of the services described in subclauses (11) through [(18)] (20) of clause (k) of this section for residents of this Commonwealth by means of catalogues or other advertising, whether the orders are accepted within or without this Commonwealth.

(3.1) Entering this Commonwealth by any person to provide assembly, service or repair of tangible personal property, either directly or through a subsidiary, representative or an agent.

(3.2) Delivering tangible personal property to locations within this Commonwealth if the delivery includes the unpacking, positioning, placing or assembling of the tangible personal property.

(3.3) Having any contact within this Commonwealth which would allow the Commonwealth to require a person to collect and remit tax under the Constitution of the United States.

(3.4) Providing a customer's mobile telecommunications service deemed to be provided by the customer's home service provider under the Mobile Telecommunications Sourcing Act (4 U.S.C. § 116). For purposes of this clause, words and phrases used in this clause shall have the meanings given to them in the Mobile Telecommunications Sourcing Act.

(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 employees 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[,] or 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—

(1) Every operation commencing with the first production stage and ending with the completion of tangible personal property having the physical qualities (including packaging, if any, passing to the ultimate consumer) which it has when transferred by the manufacturer to another. For purposes of this clause, "operation" shall include clean rooms and their component systems, including: environmental control systems, antistatic vertical walls and manufacturing platforms and floors, which are independent of the real estate; process piping systems; specialized lighting systems; deionized water systems; process vacuum and compressed air systems; process and specialty gases; and alarm or warning devices specifically designed to warn of



threats to the integrity of the product or people. For purposes of this clause, a "clean room" is a location with a self-contained, sealed environment with a controlled, closed air system independent from the facility's general environmental control system.

(2) The publishing of books, newspapers, magazines and other periodicals and printing.

(3) Refining, blasting, exploring, mining and quarrying for, or otherwise extracting from the earth or from waste or stock piles or from pits or banks any natural resources, minerals and mineral aggregates including blast furnace slag.

(4) Building, rebuilding, repairing and making additions to, or replacements in or upon vessels designed for commercial use of registered tonnage of fifty tons or more when produced 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.

(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.

(6) Remanufacture for wholesale distribution by a remanufacturer of motor vehicle parts from used parts acquired in bulk by the remanufacturer using an assembly line process which involves the complete disassembly of such parts and integration of the components of such parts with other used or new components of parts, including the salvaging, recycling or reclaiming of used parts by the remanufacturer.

(7) Remanufacture or retrofit by a manufacturer or remanufacturer of aircraft, armored vehicles, other defense-related vehicles having a finished value of at least fifty thousand dollars (\$50,000). Remanufacture or retrofit involves the disassembly of such aircraft, vehicles, parts or components, including electric or electronic components, the integration of those parts and components with other used or new parts or components, including the salvaging, recycling or reclaiming of the used parts or components and the assembly of the new or used aircraft, vehicles, parts or components. For purposes of this clause, the following terms or phrases have the following meanings:

(i) "aircraft" means fixed-wing aircraft, helicopters, powered aircraft, tilt-rotor or tilt-wing aircraft, unmanned aircraft and gliders;

(ii) "armored vehicles" means tanks, armed personnel carriers and all other armed track or semitrack vehicles; or

(iii) "other defense-related vehicles" means trucks, truck-tractors, trailers, jeeps and other utility vehicles, including any unmanned vehicles.

(8) Remanufacture by a remanufacturer of locomotive parts from used parts acquired in bulk by the remanufacturer using an assembly line process which involves the complete disassembly of such parts and integration of the components of such parts with other used or new components of parts, including the salvaging, recycling or reclaiming of used parts by the remanufacturer.

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.

\* \* \*

(f) "Purchase at retail."

(1) The acquisition for a consideration of the ownership, custody or possession of tangible personal property other than for resale by the person acquiring the same when such acquisition is made for the purpose of consumption or use, whether such acquisition shall be absolute or conditional, and by whatsoever means the same shall have been effected.

(2) The acquisition of a license to use or consume, and the rental or lease of tangible personal property, other than for resale regardless of the period of time the lessee has possession or custody of the

property.

(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.

(4) A retention after March 7, 1956, of possession, custody or a license to use or consume pursuant to a rental contract or other lease arrangement (other than as security), other than for resale.

(5) The obtaining for a consideration of those services described in subclauses (11) through [(18)] (20) of clause (k) of this section.

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.

(2) There shall be deducted from the purchase price the value of any tangible personal property actually taken in trade or exchange in lieu of the whole or any part of the purchase price. For the purpose of this clause, the amount allowed by reason of tangible personal property actually taken in trade or exchange shall be considered the value of such property.

(3) In determining the purchase price on the sale or use of taxable tangible personal property or a service where, because of affiliation of interests between the vendor and purchaser, or irrespective of any such affiliation, if for any other reason the purchase price declared by the vendor or taxpayer on the taxable sale or use of such tangible personal property or service is, in the opinion of the department, not indicative of the true value of the article or service or the fair price thereof, the department shall, pursuant to uniform and equitable rules, determine the amount of constructive purchase price upon the basis of which the tax shall be computed and levied. Such rules shall provide for a constructive amount of purchase price for each such sale or use which would naturally and fairly be charged in an arms-length transaction in which the element of common interest between the vendor or purchaser is absent or if no common interest exists, any other element causing a distortion of the price or value is likewise absent. For the purpose of this clause where a taxable sale or purchase at retail transaction occurs between a parent and a subsidiary, affiliate or controlled corporation of such parent corporation, there shall be a rebuttable presumption, that because of such common interest such transaction was not at arms-length.

(4) Where there is a transfer or retention of possession or custody, whether it be termed a rental, lease, service or otherwise, of tangible personal property including, but not limited to linens, aprons, motor vehicles, trailers, tires, industrial office and construction equipment, and business machines the full consideration paid or delivered to the vendor or lessor shall be considered the purchase price, even though such consideration be separately stated and be designated as payment for processing, laundering, service, maintenance, insurance,

repairs, depreciation or otherwise. Where the vendor or lessor supplies or provides an employee to operate such tangible personal property, the value of the labor thus supplied may be excluded and shall not be considered as part of the purchase price if separately stated. There shall also be included as part of the purchase price the value of anything paid or delivered, or promised to be paid or delivered by a lessee, whether it be money or otherwise, to any person other than the vendor or lessor by reason of the maintenance, insurance or repair of the tangible personal property which a lessee has the possession or custody of under a rental contract or lease arrangement.

(5) With respect to the tax imposed by subsection (b) of section 202 upon any tangible personal property originally purchased by the user of such property six months or longer prior to the first taxable use of such property within the Commonwealth, such user may elect to pay tax on a substituted base determined by considering the purchase price of such property for tax purposes to be equal to the prevailing market price of similar tangible personal property at the time and place of such first use within the Commonwealth. Such election must be made at the time of filing a tax return with the department and reporting such tax liability and paying the proper tax due plus all accrued penalties and interest, if there be any, within six months of the due date of such report and payment, as provided for by subsections (a) and (c) of section 217 of this article.

(6) The purchase price of employment agency services and help supply services shall be the service fee paid by the purchaser to the vendor or supplying entity. The term "service fee," as used in this subclause, shall be the total charge or fee of the vendor or supplying entity minus the costs of the supplied employee 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. To the extent that these costs are not itemized or stated on the billings, then the service fee shall be the total charge or fee of the vendor or supplying entity. No other evidence of the service fee is permissible.

(7) Unless the vendor separately states that portion of [the] a billing which applies to [premium cable service as defined in clause (11) of this section] taxable tangible personal property or services, the total bill [for the provision of all cable services] shall be the purchase price.

(8) The purchase price of prebuilt housing shall be sixty per cent of the manufacturer's selling price: Provided, however, That a manufacturer of prebuilt housing who precollects tax from a prebuilt housing builder at the time of the sale to the prebuilt housing builder shall have the option to collect tax on sixty per cent of the selling price or on one hundred per cent of the actual cost of the supplies and materials used in the manufacture of the prebuilt housing.

(9) Amounts representing on-the-spot cash discounts, employee discounts, volume discounts, store discounts such as "buy one, get one free," wholesaler's or trade discounts, rebates and store or manufacturer's coupons shall establish a new purchase price if both the name of the item and the name of the item to which the coupon applies are described on the invoice or cash register tape. An amount representing a discount allowed for prompt payment of bills which is dependent upon an event occurring after the completion of the sale may not be deducted in computing the tax. A sale is completed when there is a transfer of ownership of the property or services to the purchaser.

\* \* \*

(i) "Resale."

(1) Any transfer of ownership, custody or possession of tangible personal property for a consideration, including the grant of a license to use or consume and transactions where the possession of such property is transferred but where the transferor retains title only as security for payment of the selling price whether such transaction be designated as bailment lease, conditional sale or otherwise.

(2) The physical incorporation of tangible personal property as an ingredient or constituent into other tangible personal property, which is to be sold in the regular course of business or the performance of those services described in subclauses (2), (3) and (4) of clause (k)

of this section upon tangible personal property which is to be sold in the regular course of business or where the person incorporating such property has undertaken at the time of purchase to cause it to be transported in interstate commerce to a destination outside this Commonwealth. The term "resale" shall include telecommunications services purchased by a cable operator or video programmer that are used to transport or deliver cable or video programming services which are sold in the regular course of business.

(3) The term "resale" shall also include tangible personal property purchased or having a situs within this Commonwealth solely for the purpose of being processed, fabricated or manufactured into, attached to or incorporated into tangible personal property and thereafter transported outside this Commonwealth for use [exclusively] in a construction contract outside this Commonwealth.

(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."

(5) The physical incorporation of tangible personal property as an ingredient or constituent in the construction of foundations for machinery or equipment the sale or use of which is excluded from tax under the provisions of paragraphs (A), (B), (C) and (D) of subclause (8) of clause (k) and subparagraphs (i), (ii), (iii) and (iv) of paragraph (B) of subclause (4) of clause (o) of this section, whether such foundations at the time of construction or transfer constitute tangible personal property or real estate.

(6) The sale at retail or use of taxable services performed for resale in the ordinary course of business of the purchaser of the same service as purchased.

(7) The sale at retail or use of otherwise taxable services that are an integral, inseparable part of services that are taxable.

\* \* \*

(k) "Sale at retail."

(1) Any transfer, for a consideration, of the ownership, custody or possession of tangible personal property, including the grant of a license to use or consume whether such transfer be absolute or conditional and by whatsoever means the same shall have been effected.

(2) The rendition of the service of printing or imprinting of tangible personal property for a consideration for persons who furnish, either directly or indirectly the materials used in the printing or imprinting.

(3) The rendition for a consideration of the service of—

(i) Washing, cleaning, waxing, polishing or lubricating of motor vehicles of another, whether or not any tangible personal property is transferred in conjunction therewith; and

(ii) Inspecting motor vehicles pursuant to the mandatory requirements of "The Vehicle Code."

(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, 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.

(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, bridge 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).

(9) Where tangible personal property or services are utilized for purposes constituting a "sale at retail" and for purposes excluded from the definition of "sale at retail," it shall be presumed that such tangible personal property or services are utilized for purposes constituting a "sale at retail" and subject to tax unless the user thereof proves to the department that the predominant purposes for which such tangible personal property or services are utilized do not constitute a "sale at retail."

(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."

(11) The rendition for a consideration of lobbying services.

(12) The rendition for a consideration of adjustment services, collection services or credit reporting services.

(13) The rendition for a consideration of secretarial or editing services.

(14) The rendition for a consideration of disinfecting or pest control services, building maintenance or cleaning services.

(15) The rendition for a consideration of employment agency services or help supply services.

(17) The rendition for a consideration of lawn care service.

(18) The rendition for a consideration of self-storage service.

(19) The rendition for a consideration of a mobile telecommunications service.

(20) (i) Except as otherwise provided under section 204, the rendition for a consideration of any service enumerated in clause (dd).

(ii) The services shall be sourced as follows:

(A) if it is delivered to a location in this Commonwealth, the service is taxable in this Commonwealth;

(B) if the service is delivered both to a location in and outside of this Commonwealth, the service is taxable in the Commonwealth based upon the percentage of total value of the service delivered to a location in this Commonwealth;

(C) if it cannot be determined where the service is taxable under paragraphs (A) and (B), the service is deemed to be delivered at the customer's billing address;

(D) if it cannot be determined where the service is taxable under paragraphs (A), (B) and (C), the service is deemed to be delivered at the location from which the service was ordered in the customer's ordinary course of operations;

(E) if it cannot be determined where the service is taxable under paragraphs (A), (B), (C) and (D), the service is deemed to be delivered at the customer's billing address.

\* \* \*

(m) "Tangible personal property."

(1) Corporeal personal property including, but not limited to, goods, wares, merchandise, steam and natural and manufactured and bottled gas for non-residential use, electricity for non-residential use, prepaid telecommunications, [premium] cable or [premium] video programming service, spirituous or vinous liquor and malt or brewed beverages and soft drinks, interstate telecommunications service originating or terminating in the Commonwealth and charged to a service address in this Commonwealth, intrastate telecommunications service with the exception of (i) subscriber line charges and basic local telephone service for residential use and (ii) charges for telephone calls paid for by inserting money into a telephone accepting direct deposits of money to operate, provided further, the service address of any intrastate telecommunications service is deemed to be within this Commonwealth or within a political subdivision, regardless of how or where billed or paid. In the case of any such interstate or intrastate telecommunications service, any charge paid through a credit or payment mechanism which does not relate to a service address, such as a bank, travel, credit or debit card, but not including prepaid telecommunications, is deemed attributable to the address of origination of the telecommunications service.

(2) The term shall include the following, whether electronically or digitally delivered or accessed, or whether purchased singly, by subscription or in any other manner:

(i) video;

(ii) photographs;

(iii) books;

(iv) magazines;

(v) newspapers;

(vi) mailing lists;

(vii) any other otherwise taxable printed matter;

(viii) applications, commonly known as apps;

(ix) games;

(x) music;

(xi) any other audio;

(xii) software; or

(xiii) any other otherwise taxable tangible personal property.

\* \* \*

(o) "Use."

(1) The exercise of any right or power incidental to the ownership, custody or possession of tangible personal property and shall include, but not be limited to transportation, storage or consumption.

(2) The obtaining by a purchaser of the service of printing or imprinting of tangible personal property when such purchaser furnishes, either directly or indirectly, the articles used in the printing or imprinting.

(3) The obtaining by a purchaser of the services of (i) washing, cleaning, waxing, polishing or lubricating of motor vehicles whether or not any tangible personal property is transferred to the purchaser in conjunction with such services, and (ii) inspecting motor vehicles pursuant to the mandatory requirements of "The Vehicle Code."

(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 thereof, 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, 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.

(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).

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) construction materials, supplies or equipment used to construct, reconstruct, remodel, repair or maintain a building, road, bridge or similar structure or (C) 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 service enumerated in clause (z).

(5) Where tangible personal property or services are utilized for purposes constituting a "use," as herein defined, and for purposes excluded from the definition of "use," it shall be presumed that such property or services are utilized for purposes constituting a "sale at retail" and subject to tax unless the user thereof proves to the department that the predominant purposes for which such property or services are utilized do not constitute a "sale at retail."

(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."

(7) The use of tangible personal property purchased at retail upon which the services described in subclauses (2), (3) and (4) of this clause have been performed shall be deemed to be a use of said services by the person using said property.

(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.

(9) The obtaining by the purchaser of lobbying services.

(10) The obtaining by the purchaser of adjustment services, collection services or credit reporting services.

(11) The obtaining by the purchaser of secretarial or editing services.

(12) The obtaining by the purchaser of disinfecting or pest control services, building maintenance or cleaning services.

(13) The obtaining by the purchaser of employment agency services or help supply services.

(14) The obtaining by the purchaser of lawn care service.

(15) The obtaining by the purchaser of self-storage service.

(16) The obtaining by a construction contractor of tangible personal property or services provided to tangible personal property which will be used pursuant to a construction contract whether or not the tangible personal property or services are transferred.

(17) The obtaining of mobile telecommunications service by a customer.

(18) Except as otherwise provided under section 204, the obtaining by the purchaser of any service enumerated in clause (dd).

\* \* \*

(w) "Lobbying services." Providing the services of a lobbyist, as



defined in the definition of "lobbyist" in [section 2 of the act of September 30, 1961 (P.L.1778, No.712), known as the "Lobbying Registration and Regulation Act." ] 65 Pa.C.S. § 13A03 (relating to definitions).

\* \* \*

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

\* \* \*

(dd) "Miscellaneous services." Any of the following:

(1) Scenic and sightseeing transportation services. Providing single-day or multiday scenic or sightseeing transportation of passengers on land, water or in the air, regardless of the mode of transportation, including, but not limited to:

(i) cable car;

(ii) horse-drawn carriages;

(iii) monorail;

(iv) railroad;

(v) bus;

(vi) trolley;

(vii) human-drawn vehicle;

(viii) boat, including, but not limited to, charter fishing boat, excursion boat, harbor sightseeing tour, hovercraft services and swamp buggy and whale watching services; or

(ix) aerial scenic and sightseeing, including, but not limited to, tramway, glider, helicopter, hot air balloon or aircraft.

(2) Motor vehicle towing. Towing a motor vehicle plus incidental services, including, but not limited to, storage and emergency road repair services.

(3) Information services. Including:

(i) Software publishing services. Providing computer software publishing or reproduction, including operations such as:

(A) designing;

(B) providing documentation; or

(C) assisting in installation and providing maintenance and support services to purchasers of packaged software, such as applications software, games, operating systems, programming language and compilation software, utility software or any other packaged software.

(ii) Motion picture and video services. Providing one or more of the following:

(A) Producing, or producing and distributing, motion pictures, videos, television programs or television commercials.

(B) Distributing film and video productions to motion picture theaters, television networks and stations and exhibitors.

(C) Exhibiting or displaying motion pictures or videos, including theaters, drive-in theaters, airlines, cinemas and festivals. For purposes of this paragraph, the taxable purchase price shall be the amount charged to view the motion picture or video which usually will be a ticket price.

(D) Providing postproduction and other services, including, but not limited to, editing, film and tape transfer, titling, subtitling, credits, closed-captioning, computer-produced graphics, animation and special effects, as well as developing and processing motion picture film.

(4) (Reserved).

(5) Investment advice services. Providing financial planning or investment advice, including, but not limited to, consulting, counseling or advisory services.

(6) Professional, scientific and technical services. Providing one or more of the following:

(i) Legal services, including, but not limited to, settlement services, title abstract and search services, jury consulting services, notary public services, paralegal services, patent agent services, patent filing and search services, process serving services or trial consulting services.

(ii) Accounting services, including, but not limited to, services

rendered by certified or noncertified public accountants, other accountants or bookkeepers, including, but not limited to, auditing, tax preparation services, bookkeeping services, payroll services, billing services or talent payment services.

(iii) Architectural services, including, but not limited to, planning and designing residential, institutional, leisure, commercial and industrial buildings and structures by applying knowledge of design, construction procedures, zoning regulations, building codes and building materials, such as:

(A) architectural consulting, design and planning services,

(B) landscape architectural services;

(C) landscape consulting services;

(D) landscape planning services;

(E) city and town planning services;

(F) garden planning services;

(G) golf course design services;

(H) industrial land use services;

(I) land use design and planning services;

(J) ski area design and planning services; and

(K) urban, suburban and rural planning.

(iv) Engineering services, including, but not limited to:

(A) Applying physical laws and principles of engineering in the design, development and utilization of machines, materials, instruments, structures, processes and systems which may involve any of the following activities:

(I) provision of advice;

(II) preparation of feasibility studies;

(III) consultation;

(IV) preparation of preliminary and final plans and designs;

(V) provision of technical services during the construction or installation phase;

(VI) inspection and evaluation of engineering projects; and

(VII) related services.

(B) acoustical engineering;

(C) acoustical system engineering;

(D) boat engineering;

(E) chemical engineering;

(F) civil engineering;

(G) combustion engineering;

(H) construction engineering;

(I) consulting engineering;

(J) design engineering;

(K) electrical engineering;

(L) environmental engineering;

(M) erosion control engineering;

(P) geological engineering;

(Q) geophysical engineering;

(R) heating equipment engineering;

(S) industrial engineering;

(T) logging engineering;

(U) marine engineering;

(V) mechanical engineering;

(W) mining engineering;

(X) petroleum engineering; and

(Y) traffic engineering.

(v) Drafting services, including but not limited to drawing detailed layouts, plans and illustration of buildings, structures, systems or components from engineering and architectural specifications, such as blueprint drafting services or other services offered by draftsmen.

(vi) Building inspection services, including, but not limited to, evaluating any aspects of the building structure and component systems or preparing a report on the physical condition of the property, generally for buyers or others involved in real estate transactions, such as services provided by building inspection bureaus and establishments providing home inspection services, and energy efficiency inspection services.

(vii) Geophysical surveying and mapping services, including, but not limited to:

(A) gathering, interpreting and mapping geophysical data which may be used in locating and measuring the extent of subsurface resources, such as oil, gas and minerals, but may also be used for conducting surveys for engineering purposes;

(B) using a variety of surveying techniques depending on the purpose of the survey, including magnetic surveys, gravity surveys, seismic surveys or electrical and electromagnetic surveys;

(C) aerial geophysical surveying;

(D) electrical geophysical surveying;

(E) electromagnetic geophysical surveying;

(F) geological surveying;

(G) gravity geophysical surveying;

(H) magnetic geophysical surveying;

(I) geophysical mapping services;

(J) radioactive geophysical surveying;

(K) remote sensing geophysical surveying;

(L) seismic geophysical surveying; or

(M) any other geophysical surveying and geophysical mapping services.

(viii) Surveying and mapping services, except those services under subparagraph (vii), including, but not limited to:

(A) surveying and mapping the surface of the earth, including the sea floor;

(B) surveying and mapping areas above or below the surface of the earth, such as the creation of view easements or segregating rights in parcels of land by creating underground utility easements, including, but not limited to:

(I) aerial surveying;

(II) cadastral surveying;

(III) cartographic surveying;

(IV) construction surveying;

(V) geographic information system-based mapping services;

(VI) geospatial mapping services;

(VII) hydrographic mapping services;

(VIII) hydrographic surveying services;

(IX) land surveying services;

(X) mapping services;

(XI) photogrammetric mapping services;

(XII) topographic mapping services;

(XIII) topographic surveying services; or

(XIV) any other surveying and mapping services.

(ix) Physical, chemical and other analytical testing services, whether conducted onsite or in a laboratory, including, but not limited to:

(A) acoustics or vibration testing;

(B) assaying;

(C) biological testing, except medical and veterinary testing;

(D) calibration and certification testing;

(E) electrical and electronic testing;

(F) geotechnical testing;

(G) mechanical testing;

(H) nondestructive testing;

(I) thermal testing;

(J) automobile proving and testing ground services;

(K) environmental testing;

(L) services provided by fire insurance underwriters' laboratories;

(M) film badge testing;

(N) radiation testing;

(O) food testing;

(P) forensic services, other than medical;

(Q) geotechnical testing;

(R) hydrostatic testing;

(S) industrial testing;

(T) laboratory testing, except medical and veterinary;

(U) metallurgical testing;

(V) pollution control testing, except automotive emissions;

(W) product testing;

(X) radiation dosimetry;

(Y) radiographic testing;

(Z) radiographing welded joints on pipes and fittings;

(AA) radiographic inspection services;

(BB) radon testing;

(CC) seed testing;

(DD) soil testing;

(EE) thermal testing;

(FF) vibration testing;

(GG) x-ray inspection services; and

(HH) any other similar testing service.

(x) Interior design services, including, but not limited to:

(A) planning, designing and administering projects in interior spaces to meet the physical and aesthetic needs of people using the spaces, taking into consideration building codes, health and safety regulations, traffic patterns and floor planning, mechanical and electrical needs and interior fittings and furniture;

(B) hospitality design;

(C) health care design;

(D) institutional design;

(E) commercial and corporate design;

(F) residential design; and

(G) interior decorating consulting.

(xi) Industrial design services, including, but not limited to:

(A) creating and developing designs and specifications that optimize the use, value and appearance of their products, including the determination of the materials, construction, mechanisms, shape, color and surface finishes of the product, taking into consideration human characteristics and needs, safety, market appeal and efficiency in production, distribution, use and maintenance;

(B) automobile industrial design;

(C) furniture design;

(D) hand tool industrial design;

(E) industrial design consulting;

(F) packaging industrial design;

(G) tool design; and

(H) any other industrial design.

(xii) Graphic design services, including, but not limited to:

(A) planning, designing and managing the production of visual communication in order to convey specific messages or concepts, clarify complex information or project visual identities, including, but not limited to:

(I) The design of printed materials, packaging, advertising, signage systems and corporate identification; and

(II) generating drawings and illustrations requiring technical accuracy or interpretative skills;

(B) graphic and commercial art services;

(C) illustrating;

(D) visual communication design;

(E) corporate identification and logo design;

(F) graphic art and related services;

(G) graphic design;

(H) medical art and illustration services;

(I) silk screen design; and

(J) any other graphic design services.

(xiii) Specialized design services not listed under this paragraph, including, but not limited to:

(A) providing professional design services, except architectural, landscape architectural and engineering;

(B) interior, graphic and computer system design;

(C) clothing design;

(D) costume design;

(E) fashion design;

(F) float design;

(G) fur design;

(H) jewelry design;

(I) lighting design;

(J) shoe design;

(K) textile design; and  
(L) any other similar specialized design services.  
(xiv) Customer computer programming services, including, but not limited to, writing, modifying, testing and supporting software to meet the needs of a particular customer. The services include, but are not limited to:  
(A) application software programming;  
(B) software development;  
(C) software analysis and design services;  
(D) web page design; and  
(E) any other similar computer programming services.  
(xv) Customer systems design services, including, but not limited to:  
(A) planning and designing computer systems that integrate computer hardware, software and communication technologies. The hardware and software components of the system and installation, training and support may be provided by the vendor of this service or be provided by third parties.  
(B) computer-aided design (CAD) services;  
(C) computer-aided engineering (CAE) design services;  
(D) computer-aided manufacturing (CAM) design services;  
(E) computer hardware and software consulting;  
(F) computer systems integration analysis services;  
(G) computer systems integration consulting;  
(H) information management computer systems design services;  
(I) local area network (LAN) computer systems design services;  
(J) computer network systems design services;  
(K) office automation computer design services; and  
(L) other similar computer systems design services.  
(xvi) Computer facilities management services, including, but not limited to, providing on-site management and operation of clients' computer systems or data processing facilities, including support services.  
(xvii) Other computer-related services, including, but not limited to, disaster recovery services and software installation services.  
(xviii) Administrative management and general consulting services including, but not limited to:  
(A) providing operating advice and assistance to businesses and other organizations on administrative management issues, such as financial planning and budgeting, equity and asset management, records management, office planning, strategic and organizational planning, site selection, new business startup, and business process improvement;  
(B) general management consulting;  
(C) administrative, business, business start-up and financial management;  
(D) medical office management, records management, reorganizational, site location or selection and strategic planning services;  
(E) human resource consulting;  
(F) marketing consulting;  
(G) process consulting;  
(H) physical distribution consulting;  
(I) logistics consulting; or  
(J) other management consulting services.  
(xix) Human resource consulting services, including, but not limited to:  
(A) providing advice, assistance and consulting services to businesses and other organizations in human resource and personnel policies, practices and procedures;  
(B) employee benefits planning, communication and administration;  
(C) compensation systems planning;  
(D) wage and salary administration;  
(E) actuarial consulting, except insurance actuarial services;  
(F) employee assessment services;  
(G) labor relations consulting;  
(H) organization development consulting; or

(I) any other similar human resource consulting services.  
(xx) Marketing consulting services, including, but not limited to:  
(A) providing operating advice, assistance and consulting services to businesses and other organizations on marketing issues, such as developing marketing objectives and policies, sales forecasting, new product development and pricing, licensing and franchise planning and marketing planning and strategy;  
(B) customer service management consulting services;  
(C) marketing management consulting services;  
(D) sales management consulting services; and  
(E) any other similar marketing consulting services.  
(xxi) Process, physical distribution and logistics consulting services, including, but not limited to:  
(A) providing operating advice and assistance to businesses and other organizations in:  
(I) manufacturing operations improvement;  
(II) productivity improvement;  
(III) production planning and control;  
(IV) quality assurance and quality control;  
(V) inventory management;  
(VI) distribution networks;  
(VII) warehouse use, operations and utilization;  
(VIII) transportation and shipment of goods and materials; and  
(IX) materials management and handling;  
(B) customs consulting;  
(C) efficiency management consulting;  
(D) freight rate consulting;  
(E) freight rate auditing;  
(F) freight traffic consulting;  
(G) materials management consulting;  
(H) tariff rate consulting;  
(I) tariff rate information services; and  
(J) any other similar process, physical distribution and logistics consulting services.  
(xxii) Other management consulting services, including providing telecommunications and utility management consulting.  
(xxiii) Environmental consulting services, including providing advice, assistance, consulting to businesses and other organizations on environmental issues, including the control of environmental contamination from pollutants, toxic substances, and hazardous materials and identifying problems, inspecting buildings for hazardous materials and measuring and evaluating risks and recommending solutions. The services include air and water quality consulting, asbestos contamination consulting, remediation consulting and environmental law consulting, providing sanitation or site remediation consulting services.  
(xxiv) Other scientific and technical consulting services, including agricultural, agrology, agronomy, biological chemical, dairy herd, economic, energy, entomology, geochemical, horticultural, hydrology, livestock breeding, motion picture, nuclear energy, physics, radio, safety, security and any other similar scientific and technical consulting services.  
(xxv) Research and development services in biotechnology, physical, engineering and life sciences, including conducting research and experimental development biotechnology and services involving the study of the use of microorganisms and cellular and biomolecular processes to develop or alter living or non-living materials which may result in development of new biotechnology processes or in prototypes of new or genetically altered products that may be reproduced, utilized or implemented by various industries, including physical, engineering, life sciences, agriculture, electronics, environmental, bacteriology, biology, botany, computers, chemistry, entomology, food, fisheries, forests, genetics, geology, health, industry, mathematics, medicine, oceanography, pharmacy, physics, veterinary, cloning, DNA technologies, nanobiotechnology, nucleic acid chemistry, protein engineering, recombinant DNA, dentistry, electronics, experimental farms, fisheries, forestry, guided missile and space vehicles and parts, photonics and other allied subjects.

(xxvi) Research and development in social sciences and humanities, including conducting research and analyses in cognitive development, sociology, psychology, language, behavior, economic, archeological, business, demographic, historical and cultural preservation, sociology and any other social science and humanities research and development services.

(xxvii) Advertising services, including creating advertising campaigns and placing advertising in periodicals, newspapers and on radio and television, or other media, which includes advice, consulting, creative services, account management, production of advertising material, media planning, buying and placing advertising, distributing advertising or any other advertising services. Services involving direct mail advertising include direct mail advertising and creating, designing, preparing for mailing or distribution and any other similar services involving direct mail advertising. The term includes demonstration services, display letter services, mannequin decorating, sign lettering and painting, welcoming services and window dressing or trimming services.

(xxviii) Public relations services design and implementation of public relations campaigns to promote the interests and image of any person, including lobbying, political consulting or any similar public relations consulting.

(xxix) Media representative services including selling media time or space for media owners, including magazine, newspaper, publishers, radio or television or any other similar media.

(xxx) Display advertising services including creating and designing public display advertising campaign materials including printed, painted, electronic displays, or placing the displays on indoor or outdoor billboards and panels, or on or within transit vehicles or facilities, shopping malls, retail or in-store displays and other display structures or sites.

(xxxi) Market research and public opinion polling services including systematically gathering, recording, tabulating and presenting marketing and public opinion data, including broadcast media rating services, marketing analysis services, opinion research services, political and public opinion polling, statistical sampling services and any other similar market research and public opinion polling services.

(xxxii) Translation and interpretation services including translating written or other material and interpreting writing and speech from one language to another including sign language services.

(xxxiii) Veterinary services including services provided by licensed veterinarians including providing and prescribing medicine and performing surgery and any other service provided by a veterinarian. The term includes testing services performed by or for veterinarians.

(xxxiv) All professional, scientific and technical services, other than the services defined in this paragraph including:

(A) Appraisal services, excluding real estate.

(B) Arbitration and conciliation services, except by attorney or paralegal.

(C) Business brokering, except real estate brokering; commodity inspection services.

(D) Consumer credit counseling services.

(E) Credit repair services.

(F) Electronic communication verification content services.

(G) Estate assessment or appraisal services.

(H) Handwriting analysis services.

(I) Handwriting expert services.

(J) Marine surveying.

(K) Ship appraisal services.

(L) Mediation product services, except by lawyer, attorney, paralegal, family or social services.

(M) Meteorological services.

(N) Patent broker and marketing services.

(O) Patrolling and inspecting electric or gas transmission lines.

(P) Quantity surveying.

(Q) Weather forecasting services.

(7) Office administration services. Providing office

administrative services, including financial planning, billing, recordkeeping, personnel, distribution or logistics for others on a contract or fee basis.

(8) Facilities support services. Providing staff to perform support services within a client's facilities, including janitorial, maintenance, trash disposal, guard, security, mail routing, reception, laundry and related services. The term includes providing private jail services or operating correctional facilities on a contract or fee basis.

(9) Professional employment services. Providing human resources and human resource management services to client businesses by entities operating in a coemployment relationship with client businesses or organizations and are specialized in performing a wide range of human resource and personnel management duties, including payroll, payroll tax, benefits administration, workers' compensation, unemployment and human resource administration. Services include payroll, including withholding and remitting employment-related taxes, for some or all of the employees of the employees' clients, serving as the employer of those employees for benefits and related purposes or providing any similar services provided by a professional employment organization. The term includes employee leasing services, labor leasing services and staff leasing services.

(10) Business support services. Providing one or more of the following:

(i) Providing document preparation services, including letter or resume writing, document editing or proofreading, typing, word or data processing, desktop publishing, stenography except court reporting or stenotype recording, transcription and other secretarial services.

(ii) Answering telephone calls and relaying messages to clients.

(iii) Providing telemarketing services on a contract or fee basis for others, including promoting a client's product or services by telephone, taking orders by telephone or soliciting contributions by telephone.

(iv) Providing mailbox rental and other postal and mailing services except direct mail advertising.

(v) Providing photocopying, duplicating, blueprinting, scanning and other document copying services.

(vi) Providing facsimile and on-site computer rental services.

(vii) Collecting payments for claims on behalf of or remitting payments collected for clients.

(viii) Compiling or providing information including credit and employment histories on individuals and credit histories on businesses.

(ix) Repossessing tangible assets for a creditor.

(x) Providing reporting and stenotype recording of live legal proceedings and transcribing recorded materials.

(11) Travel arrangements and reservation services. Providing travel, tour or accommodations arrangement services, assembling and planning tours, marketing and promoting communities and facilities to businesses and leisure travelers through a range of activities, including assisting organizations in locating meeting and convention sites, providing travel information on area attractions, lodging accommodations and restaurants, providing maps and organizing group tours of local historical, recreational and cultural attractions, providing travel reservation services including airline, train, bus, ship, car rental, hotel, time share, restaurant and sports and theatrical ticket reservation services.

(12) Packaging and labeling services. Packaging or wrapping client-owned materials, including labeling and imprinting. Services include apparel folding and packaging, blister packaging, kit assembling and packaging, folding and packaging services, gift wrapping services, mounting merchandise or cards, product sterilizing and packaging or shrink wrapping.

(13) Convention and trade show organizing. Organizing, promoting or managing events, including business and trade shows, conventions, conferences and meeting whether or not the vendor manages and provides the staff to operate the facilities in which these events take place. Events include automobile shows, craft fairs, flower shows, home shows, trade fairs, trade shows or other similar events.



(14) Other service. Other support services, including day-to-day business and other organizational support services not otherwise defined in this subsection, including auctioneering, bartering services, bottle exchange services, cloth cutting, bolting or winding, parking meter coin pick-up services, coupon processing services, coupon redemption services, including clearinghouse services, diving services, document shredding, electric or other meter reading services, commercial firefighting, flagging services, float decorating services, inventory computing or taking service, license issuing services except services provided by the Commonwealth, printing broker services, tape slitting including cutting plastic or leather in widths, textile cutting, trading stamp promotion and redemption services or any other similar support service.

(15) Waste collection.

(i) Waste collection includes both:

(A) Collecting or hauling hazardous waste, nonhazardous waste or recyclable materials within a local area.

(B) Operating hazardous or nonhazardous waste transfer stations or landfills or recycling centers within a local area.

(ii) Services include ash collecting and hauling, garbage collection services, local garbage hauling, recyclable materials collection and local hauling, refuse and rubbish collection and local hauling, hazardous and radioactive collecting and hauling services and identifying, treating, packaging and labeling of any waste materials.

(iii) The term includes brush and rubble collection and local hauling, dump trucking of brush or rubble and any other similar waste hauling and local collection services.

(16) Services other than tuition and housing provided by junior colleges, colleges, universities, professional schools, business schools, computer training schools, management training schools, technical and trade schools and other schools. For purposes of this paragraph the following shall apply:

(i) Junior college shall mean schools providing academic, or academic and technical, courses in diverse settings and through diverse means, and granting associate degrees, certificates or diplomas below the baccalaureate level.

(ii) College, university and professional school services shall mean schools providing academic courses in diverse settings and through diverse means and granting degrees at baccalaureate or graduate levels.

(iii) Business school and computer and management training school services shall mean schools providing courses in diverse settings and through diverse means, in office procedures, secretarial and stenographic skills, basic office skills, office machine operation, reception, communications, computer training excluding computer repair but including computer programming, software packages, computerized business systems, computer electronics technology, computer operations, local area network management and management, professional and career development.

(iv) Technical and trade school services shall mean schools providing vocational and technical training, in a variety of technical subjects and trades, including barbering, hair styling, cosmetic arts, aviation, flight and apprenticeship programs. These programs involve applied training as well as course work.

(v) Other school services shall mean schools providing instruction in:

(A) The arts, including dance, art, drama and music.

(B) Foreign language instruction including sign language.

(C) Preparation for standardized examinations or academic tutoring services.

(D) Automobile driving instruction.

(17) Home health care services. Providing skilled nursing services in the home, including the following:

(i) Personal care services.

(ii) Homemaker and companion services.

(iii) Physical therapy.

(iv) Medical social services.

(v) Medications.

(vi) Medical equipment and supplies.

(vii) Counseling.

(viii) Twenty-four-hour home care.

(ix) Occupation and vocational therapy.

(x) Dietary and nutritional services.

(xi) Speech therapy.

(x) Audiology.

(xi) High-tech care including intravenous therapy.

(18) Other ambulatory health care services. Providing services including outpatient care centers, medical laboratories and diagnostic imaging centers and home health care providers. The term does not include offices of physicians, dentists and other health practitioners providing ambulatory health care services including ambulance services, blood and organ banks, health screening, physical fitness evaluation and hearing testing services, smoking cessation programs and pacemaker monitoring services.

(19) Nursing care facility services.

(i) Services as defined under paragraph (17) except the services provided at nursing care facilities, including convalescent homes, group homes for the disabled, nursing homes, hospices, rest homes, retirement homes and skilled nursing facilities, provided the establishments provide nursing facilities.

(ii) Providing inpatient nursing and rehabilitative services for an extended period of time to individuals requiring nursing care.

(19.1) Residential, intellectual and developmental disability, mental health and substance abuse facility services. Services provided by group homes and intermediate care facilities providing residential care services for persons diagnosed with intellectual and developmental disabilities and mental health and substance abuse illnesses.

(20) Continuing care retirement community and assisted living facility services for the elderly. Providing residential and personal care services, with or without on-site nursing care, for the elderly and other persons who:

(i) are unable to fully care for themselves; or

(ii) do not desire to live independently.

(21) Other residential care facility services. Providing residential care not provided by the facilities described in subclauses (1) through (20).

(22) Individual and family services. Providing nonresidential social assistance services for children and youth in such areas as adoption and foster care, drug prevention, life skills training and positive social development; nonresidential social assistance services to improve the quality of life for the elderly, persons diagnosed with intellectual and developmental disabilities or persons with disabilities in such areas as day care, nonmedical home care or homemaker services, social activities, group support, and companionship; and other nonresidential individual and family social assistance services. This subclause includes alcohol and drug counseling, ex-offender rehabilitation services, marriage counseling; family mediation services; parenting support services; referral services for personal and social problems; private parole officer services; traveler's aid services; social services; and any other similar individual or family services.

(23) Community food and housing and emergency and other relief services.

(i) Collecting, preparing and delivering food for the needy.

(ii) Distributing clothing and blankets to the poor.

(iii) Preparing and delivering meals to individuals who, by reason of age, disability, or illness, are unable to prepare meals for themselves.

(iv) Collecting and distributing salvageable or donated food.

(v) Preparing and providing meals at fixed or mobile locations, such as food banks and soup kitchens.

(vi) Providing community housing services such as short term emergency shelters for victims of domestic violence, sexual assault or child abuse; temporary residential shelters for the homeless, runaway youths and patients and families caught in medical crises; and transitional housing for low-income individuals and families.

(vii) Providing volunteer construction or repair of low-cost

housing, in partnership with the homeowner, who may assist in construction or repair work.

(viii) Providing repair of homes for elderly or disabled homeowners.

(ix) Providing food, shelter, clothing, medical relief, resettlement and counseling to victims of domestic or international disasters or conflicts.

(24) Vocational rehabilitation services. Providing:

(i) vocational rehabilitation or habilitation services, such as job counseling, job training and work experience, to unemployed and underemployed individuals, individuals with disabilities, and individuals who have job market disadvantages because of lack of education, job skill or experience; and

(ii) providing training and employment to individuals with disabilities, including:

(A) vocational rehabilitation job training facilities other than entities identified in subclause (26); and

(B) sheltered workshops, such as work experience centers.

(25) Child day-care services. Providing day care for infants or children or babysitting, including:

(i) care for older children other than at school;

(ii) pre-kindergarten schooling; and

(iii) any other similar child day-care service.

(26) Performing arts company, group or theater services:

(i) Providing live theatrical presentations including musicals, operas, plays and comedy, improvisational, mime and puppet shows.

(ii) Operating dinner theaters engaged in providing live theatrical productions and food and beverages for consumption on the premises.

(iii) Providing live theatrical dance presentations.

(iv) Providing live musical entertainment.

(v) This subclause does not include live musical entertainment provided by any of the following:

(A) An elementary or secondary school.

(B) A nonprofit corporation or nonprofit incorporated association under Federal law or State law.

(C) An entity which is authorized to do business in this Commonwealth as a nonprofit corporation or unincorporated association under the laws of this Commonwealth. This paragraph includes any youth or athletic, volunteer fire, ambulance, religious, charitable, fraternal, veterans or civic association and a separately chartered auxiliary of the association operated on a nonprofit basis.

(27) Sports teams or club services.

(i) Providing live sporting events before a paying audience.

(ii) Operating racetracks.

(iii) Independent athletes or professional or semiprofessional sports teams or clubs providing live sporting or racing events before a paying audience.

(iv) Owners of racing participants, such as cars and horses, providing the participants in racing events or other spectator sports events.

(v) Sports trainers providing specialized services to support participants in sports events or competitions.

(vi) This subclause does not include services provided by any of the following:

(A) An elementary or secondary school.

(B) A nonprofit corporation or nonprofit incorporated association under Federal law or State law.

(C) An entity which is authorized to do business in this Commonwealth as a nonprofit corporation or unincorporated association under the laws of this Commonwealth. This paragraph includes any youth or athletic, volunteer fire, ambulance, religious, charitable, fraternal, veterans or civic association and a separately chartered auxiliary of the association operated on a nonprofit basis.

(28) Promoting performing arts, sports, and similar events.

(i) Booking, organizing, promoting or managing live performing arts productions, sports events, fairs, concerts, festivals and similar events.

(ii) Providing the staff to, or management of, the operate facilities at which events referred to in subparagraph (i) are held.

(29) Agency or management for artist, athlete, entertainer and other public figure. Providing representation or management of any creative and performing artist, sports figure, entertainer or other public figure.

(30) Museum, historical site and similar institution services. Providing exhibition of objects, sites and natural wonders of historical, cultural or educational value, such as provided by museums, historical sites, zoos, botanical gardens, caverns and similar institutions. For purposes of this subclause, the purchase price of the service is typically a ticket or admission price.

(31) Amusement park and arcade services. Providing a variety of attractions, such as mechanical rides, water rides, games, shows, theme exhibits, refreshment stands and picnic grounds. This subclause includes indoor play area services, electronic or other game arcades, billiard salon services, family fun centers, pinball machines, coin-operated games and rides and other similar amusement park or arcade services. For purposes of this subclause, the purchase price for amusement parks is typically a ticket or admission price.

(32) Other amusement and recreation industry services.

(i) Providing miniature golf courses, golf courses and golf courses along with dining facilities and other recreational facilities which are known as country clubs.

(ii) Providing downhill, cross-country or related skiing areas or operating equipment, such as ski lifts and tows.

(iii) Marinas, providing docking or storage facilities for pleasure craft owners, with or without one or more related activities. Examples are:

(A) retailing fuel and marine supplies; and

(B) repairing, maintaining or renting pleasure boats.

(iv) Providing fitness and recreational sports facilities featuring exercise and other active physical fitness conditioning or recreational sports activities, such as swimming, skating, or racquet sports.

(v) Providing bowling centers.

(vi) Providing other recreational and amusement services.

(33) Recreational vehicle park and recreational camp services.

(i) Providing recreational vehicle parks and campgrounds and recreational and vacation camps.

(ii) Providing sites to accommodate campers and their equipment, including tents, tent trailers, travel trailers and recreational vehicles.

(iii) Providing overnight recreational camps, such as children's camps, family vacation camps, hunting and fishing camps and outdoor adventure retreats which offer trail riding, white-water rafting, hiking and similar activities.

(34) Personal care services providing one or more of the following:

(i) Hair care, facials or applying makeup other than permanent makeup.

(ii) Cutting, trimming and styling male hair and shaving and trimming male beards.

(iii) Cutting, trimming, shampooing, coloring, waving or styling hair.

(iv) Nail care, such as manicures, pedicures and nail extensions.

(v) Nonmedical services to assist clients in attaining or maintaining a desired weight. This subparagraph includes saunas and steam baths.

(vi) Color consulting.

(vii) Day spa services.

(viii) Hair removal.

(ix) Ear piercing.

(x) Hair replacement, other than by a physician.

(xi) Massage.

(xii) Scalp treatments.

(xiii) Tanning services.

(xiv) Tattooing.

(xv) Other similar personal care service.

(35) Death care services. Providing for the preparation of the dead for burial or interment and conducting funerals. This subclause includes:

- (i) providing facilities for wakes;
- (ii) arranging transportation for the dead;
- (iii) selling caskets and related merchandise;
- (iv) operating sites or structures reserved for the interment of human or animal remains; and

(v) cremating the dead.

(36) Drycleaning and laundry services.

(i) Providing services at facilities with coin-operated or similar self-service laundry and drycleaning equipment for customer use on the premises.

(ii) Supplying and servicing coin-operated or similar self-service laundry and drycleaning equipment for customer use in places of business operated by others, such as apartments and dormitories.

(iii) Providing drycleaning and laundering services.

(iv) Providing dropoff and pickup sites for laundries or drycleaners.

(v) Providing specialty cleaning services for specific types of garments and other textile items. Carpets and upholstery are not subject to this subparagraph. Items such as the following are subject to this subparagraph:

(A) Fur, leather or suede garments.

(B) Wedding gowns.

(C) Hats.

(D) Draperies and pillows.

(vi) Supplying, on a rental or contract basis, laundered items, including:

(A) uniforms, gowns and coats and related work clothing, including protective apparel;

(B) table linens;

(C) bed linens;

(D) towels;

(E) diapers;

(F) clean room apparel; and

(G) dust-control items, such as treated mops, shop towels, wiping towels, rugs, mats, dust tool covers and cloths.

(37) Other personal services.

(i) Providing pet care services, such as boarding, grooming, sitting, and training pets.

(ii) Developing film or making photographic slides, prints, and enlargements.

(iii) One-hour photofinishing labs providing film developing or making photographic slides, prints and enlargements on a short turnaround or while-you-wait basis.

(iv) Providing parking spaces for motor vehicles, usually on an hourly, daily or monthly basis and offering valet parking services.

(v) Baby shoe bronzing.

(vi) Bail bonding.

(vii) Balloon-o-gram services.

(viii) Coin-operated machine blood pressure testing.

(ix) Locker services.

(x) Providing photographic machines.

(xi) Providing scales.

(xii) Shoeshine services.

(xiii) Check room services.

(xiv) Comfort station services.

(xv) Concierge services.

(xvi) Consumer buying services.

(xvii) Credit card notification services, such as lost or stolen reporting.

(xviii) Dating, social introduction and social escort services.

(xix) Discount buying services, including medical cards and similar negotiated discount plans for individuals.

(xx) Astrology, fortune-telling, numerology, palm reading, physic and phrenology services.

(xxi) Genealogical investigation services.

(xxii) House sitting.

(xxiii) Identity theft protection services.

(xxiv) Party planning and wedding planning.

(xxv) Pay telephone services.

(xxvi) Personal fitness training.

(xxvii) Personal organizer services.

(xxviii) Personal shopping services.

(xxix) Porter services.

(xxx) Singing telegram services.

(xxxi) Wedding chapels. This subparagraph does not apply to churches.

(xxxii) Similar services.

(38) Real estate agent and broker services. Acting as an agent or broker in selling real estate for others or buying real estate for others or renting real estate for others. The services include auctioning real estate, real estate broker services, real estate agent services and any other similar services.

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(II) "[Premium cable or premium] Cable or 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:

(1)] is transmitted with or without the use of wires to purchasers.;

(2) which consists substantially of programming uninterrupted by paid commercial advertising which includes, but is not limited to, programming primarily composed of uninterrupted full-length motion pictures or sporting events, pay-per-view, paid programming or like audio or radio broadcasting; and

(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.

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(pp) "Building machinery and equipment." Generation equipment, storage equipment, conditioning equipment, distribution equipment and termination equipment, [which shall be limited to the

following] located in a building unless specifically noted otherwise and part only of the following systems:

- (1) air conditioning limited to heating, cooling, purification, humidification, dehumidification and ventilation;
- (2) electrical;
- (3) plumbing;
- (4) communications limited to voice, video, data, sound, master clock and noise abatement;
- (5) alarms limited to fire, security and detection;
- (6) control system limited to energy management, vehicular traffic and parking lot and building access;
- (7) medical system limited to diagnosis and treatment equipment, medical gas, nurse call and doctor paging;
- (8) laboratory system;
- (9) cathodic protection system; or
- (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, or foundations or supports for any building machinery and equipment, including light poles or bridge and road drainage equipment.

(qq) "Real estate structure." A structure or item purchased by a construction contractor pursuant to a construction contract with:

- (1) a charitable organization, a volunteer firemen's organization, a nonprofit educational institution or a religious organization for religious purposes and which qualifies as an institution of purely public charity under the act of November 26, 1997 (P.L.508, No.55), known as the "Institutions of Purely Public Charity Act";
- (2) the United States; or
- (3) the Commonwealth, its instrumentalities or political subdivisions.

The term includes building machinery and equipment; developed or undeveloped land; streets; roads; highways; parking lots; stadiums and stadium seating; recreational courts; sidewalks; foundations; structural supports; walls; floors; ceilings; roofs; doors; canopies; millwork; elevators; windows and external window coverings; [outdoor advertising boards or signs] billboards; airport runways; bridges; dams; dikes; vehicular traffic control devices, including vehicular traffic signs; satellite dishes; antennas; guardrail posts; pipes; fittings; pipe supports and hangers; valves; underground tanks; wire; conduit; receptacle and junction boxes; insulation; ductwork and coverings thereof; and any structure or item similar to any of the foregoing, whether or not the structure or item constitutes a fixture or is affixed to the real estate, or whether or not damage would be done to the structure or item or its surroundings upon removal. The term also includes foundations or supports for any building machinery and equipment, including light poles or bridge and road drainage equipment.

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[(tt) "Commercial racing activities." Any of the following:

- (1) Thoroughbred and harness racing at which pari-mutuel wagering is conducted under the act of December 17, 1981 (P.L.435, No.135), known as the "Race Horse Industry Reform Act."
- (2) Fair racing sanctioned by the State Harness Racing Commission.]

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(eee) "Dentist." Doctors of dental medicine or doctors of dental surgery, as defined in the act of May 1, 1933 (P.L.216, No.76), known as "The Dental Law."

(fff) "Physician." Medical doctors, as defined in the act of December 20, 1985 (P.L.457, No.112), known as the "Medical Practice Act of 1985," or doctors of osteopathy, as defined in the act of October 5, 1978 (P.L.1109, No.261), known as the "Osteopathic Medical Practice Act."

Section 2. Section 202 of the act, amended September 9, 1971 (P.L.437, No.105), October 4, 1978 (P.L.987, No.201), April 23, 1998 (P.L.239, No.45), May 24, 2000 (P.L.106, No.23) and June 29, 2002 (P.L.559, No.89), 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 six and six-tenths per cent of the purchase price, which tax shall be collected by the vendor 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 and six-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. The tax at the rate of six and six-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 and six-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 and six-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 and six-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 six and six-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 manufacturer of prebuilt housing may, at its option, precollect the tax from the prebuilt housing builder at the time of sale to the prebuilt housing builder. In any case where prebuilt housing is purchased and the tax is not paid by the prebuilt housing builder or precollected by the manufacturer, the prebuilt housing purchaser shall remit tax directly to the department if the prebuilt housing is used in this Commonwealth without regard to whether the prebuilt housing becomes a real estate structure.

(g) Notwithstanding any other provisions of this article and in accordance with the Mobile Telecommunications Sourcing Act (4 U.S.C. § 116), the sale or use of mobile telecommunications services which are deemed to be provided to a customer by a home service provider under section 117(a) and (b) of the Mobile Telecommunications Sourcing Act shall be subject to the tax of six per cent of the purchase price, which tax shall be collected by the home service provider from the customer, and shall be paid over to the Commonwealth as herein provided if the customer's place of primary use is located within this Commonwealth, regardless of where the mobile telecommunications services originate, terminate or pass through. For purposes of this subsection, words and phrases used in this subsection shall have the same meanings given to them in the Mobile Telecommunications Sourcing Act.

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 collected.

(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.] The amount of tax due shall be rounded to the nearest whole

cent.

Section 4. Section 204 heading, (4), (5), (11), (13), (17), (29), (30), (31), (32), (33), (34), (35), (36), (37), (38), (39), (41), (45), (50), (53), (55), (57), (58), (61), (63), (64), (65) and (66) of the act, amended or added August 31, 1971 (P.L.362, No.93), July 20, 1974 (P.L.535, No.183), October 17, 1974 (P.L.756, No.255), December 14, 1977 (P.L.322, No.93), October 27, 1979 (P.L.242, No.79), December 8, 1980 (P.L.1117, No.195), October 22, 1981 (P.L.314, No.109), December 19, 1985 (P.L.354, No.100), December 13, 1991 (P.L.373, No.40), June 16, 1994 (P.L.279, No.48), June 30, 1995 (P.L.139, No.21), May 7, 1997 (P.L.85, No.7), April 23, 1998 (P.L.239, No.45), May 24, 2000 (P.L.106, No.23), June 22, 2001 (P.L.353, No.23), June 29, 2002 (P.L.559, No.89), December 23, 2003 (P.L.250, No.46), July 6, 2006 (P.L.319, No.67), November 29, 2006 (P.L.1630, No.189) and July 2, 2012 (P.L.751, No.85), are amended and the section is amended by adding paragraphs to read:

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

\* \* \*

[ (4) The sale at retail or use of disposable diapers; pre-moistened 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].

\* \* \*

(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."] 75 Pa.C.S. Ch. 90 (relating to liquid fuels and fuels tax).

\* \* \*

(13) The sale at retail, or use of wrapping paper, wrapping twine, bags, cartons, tape, rope, labels, nonreturnable containers and all other wrapping supplies, unless returnable, 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] sold by the purchaser of the wrapping or packaging service.

\* \* \*

(17) The sale at retail or use of the following:

(A) hospital beds, iron lungs, kidney machines;

(B) prescription [or non-prescription medicines,] drugs [or];

(C) medical supplies[.];

(D) 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] individuals with disabilities; or

(E) any [other] therapeutic, prosthetic or artificial device designed for the use of a particular individual with a physical incapacity, such as artificial limbs, eyes and hearing devices, false teeth, prescription eyeglasses, braces and supports to correct or alleviate a physical incapacity[, including but not limited to hospital beds, iron lungs, and kidney machines].

\* \* \*

(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 primary or secondary school or church in the ordinary course of the activities of such organization is not subject to tax. For purposes of this clause, the term "primary and secondary school" is limited to a school with any of the grades kindergarten through twelve.

(iv) Candy and gum regardless of the location from which the candy and gum are sold.

[(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] cars and locomotives used in the movement of personality.

[(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 and Boat Commission.

\* \* \*

[(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.]

\* \* \*

[(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.]

\* \* \*

[(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.]

\* \* \*

[(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.]

\* \* \*

(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.]

\* \* \*

[(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.]

\* \* \*

[(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"] 102 of the act of February 14, 2008 (P.L.6, No.3), known 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.

\* \* \*

(70) The sale at retail or use of tuition.

(71) The sale at retail or use of any the following business, professional or technical services as defined in section 201(dd) performed by a business and rendered to another business:

- (i) Legal services.
- (ii) Architectural, engineering and related services.
- (iii) Accounting, auditing and bookkeeping services.
- (iv) Specialized design services.

(v) Advertising, public relations and related services.

(vi) Services to buildings and dwellings.

(vii) Scientific, environmental and technical consulting services.

(viii) Scientific research and development services.

(ix) Information services.

(x) Administrative services.

(xi) Custom programming, design and data processing services.

(72) The sale at retail or use of legal services relating to family law or criminal law.

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

(74) The sale at retail or use of services provided by individuals under 18 years of age and not on behalf of another person.

(75) The sale at retail or use of services provided by employees to their employers in exchange for wages and salaries when such services are rendered in the ordinary course of the employment.

(76) The sale at retail or use of tangible personal property or services transferred to a patient and paid for by Medicare Part B.

(77) The sale at retail of a gun safe or gun lock. For the purposes of this clause, the following words, terms and phrases shall have the following meanings:

(i) "gun safe" means a self-contained enclosure specifically designed and manufactured for the purpose of storing a firearm and equipped with a padlock, key lock, combination lock or similar locking device which, when locked, prevents the unauthorized use of the firearm. The term does not include a gun cabinet;

(ii) "gun lock" means an originally manufactured locking device that when properly affixed and applied to a firearm is designed to prevent the unintentional or unauthorized discharge of the firearm. The term includes trigger locks, cable locks and chamber locks.

Section 4.1. Section 205 of the act, amended June 9, 1978 (P.L.463, No.62), and July 12, 2006 (P.L.1137, No.116), is 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 six and six-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 six and six-tenths per cent of the fair rental value of the aircraft during such use.

Section 5. Sections 206 and 208 of the act, amended July 9, 2013 (P.L.270, No.52), are amended to read:

Section 206. Credit Against Tax.—(a) A credit against the tax imposed by section 202 shall be granted with respect to tangible personal property or services purchased for use outside the Commonwealth equal to the tax paid to another state by reason of the imposition by such other state of a tax similar to the tax imposed by this article: Provided, however, That no such credit shall be granted unless such other state grants substantially similar tax relief by reason of the payment of tax under this article [or under the Tax Act of 1963 for Education].

Section 208. Licenses.—(a) Every person maintaining a place of business in this Commonwealth, selling or leasing services or tangible personal property, the sale or use of which is subject to tax and who has not hitherto obtained a license from the department, shall, prior to the beginning of business thereafter, make application to the department, on a form prescribed by the department, for a license. If such person maintains more than one place of business in this Commonwealth, the license shall be issued for the principal place of

business in this Commonwealth.

(b) The department shall, after the receipt of an application, issue the license applied for under subsection (a) of this section, provided said applicant shall have filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan. Such license shall be nonassignable. [All licensees as of the effective date of this subsection shall be required to file for renewal of said license on or before January 31, 1992. Licenses issued through April 30, 1992, shall be based on a staggered renewal system established by the department. Thereafter, any] Any license issued shall be valid for a period of five years.

(b.1) If an applicant for a license or any person holding a license has not filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan, the department may refuse to issue, may suspend or may revoke said license. The department shall notify the applicant or licensee of any refusal, suspension or revocation. Such notice shall contain a statement that the refusal, suspension or revocation may be made public. Such notice shall be made by first class mail. An applicant or licensee aggrieved by the determination of the department may file an appeal pursuant to the provisions for administrative appeals in this article, except that the appeal must be filed within thirty days of the date of the notice. In the case of a suspension or revocation which is appealed, the license shall remain valid pending a final outcome of the appeals process. Notwithstanding sections 274, 353(f), 408(b), 603, 702, 802, 904 and 1102 of the act or any other provision of law to the contrary, if no appeal is taken or if an appeal is taken and denied at the conclusion of the appeal process, the department may disclose, by publication or otherwise, the identity of a person and the fact that the person's license has been refused, suspended or revoked under this subsection. Disclosure may include the basis for refusal, suspension or revocation.

(c) A person that maintains a place of business in this Commonwealth for the purpose of selling or leasing services or tangible personal property, the sale or use of which is subject to tax, without having a valid license at the time of the sale or lease shall be guilty of a summary offense and, upon conviction thereof, be sentenced to pay a fine of not less than three hundred dollars (\$300) nor more than one thousand five hundred (\$1,500) and, in default thereof, to undergo imprisonment of not less than five days nor more than thirty days. The penalties imposed by this subsection shall be in addition to any other penalties imposed by this article. For purposes of this subsection, the offering for sale or lease of any service or tangible personal property, the sale or use of which is subject to tax, during any calendar day shall constitute a separate violation. The Secretary of Revenue may designate employees of the department to enforce the provisions of this subsection. The employees shall exhibit proof of and be within the scope of the designation when instituting proceedings as provided by the Pennsylvania Rules of Criminal Procedure.

(d) Failure of any person to obtain a license shall not relieve that person of liability to pay the tax imposed by this article.

Section 6. Section 209 of the act, amended May 2, 1974 (P.L.269, No.75), is amended to read:

Section 209. Definitions.—(a) For the purposes of this part V only, the following words, terms and phrases shall have the meaning ascribed to them in this subsection, except where the context clearly indicates a different meaning:

(1) "Hotel." A building or buildings in which the public may, for a consideration, obtain sleeping accommodations. The term "hotel" shall not include any charitable, educational or religious institution summer camp for children, hospital or nursing home.

(2) "Occupant." A person (other than a "permanent resident," as defined herein,) who, for a consideration, uses, possesses or has a right to use or possess any room or rooms in a hotel under any lease, concession, permit, right of access, license or agreement.

(3) "Occupancy." The use or possession or the right to the use or possession by any person (other than a "permanent resident,") of any

room or rooms in a hotel for any purpose or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms.

(4) "Operator." Any person operating a hotel or any online hotel reservation service through which one may obtain a hotel occupancy.

(5) "Permanent resident." Any occupant who has occupied or has the right to occupancy of [any room or] the same number of rooms in a hotel for at least thirty consecutive days.

(6) "Rent." The consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature, and also any amount for which the occupant is liable for the occupancy without any deduction therefrom whatsoever. The term "rent" shall not include a gratuity.

(b) The following words, terms and phrases and words, terms and phrases of similar import, when used in parts IV and VI of this article for the purposes of those parts only, shall, in addition to the meaning ascribed to them by section 201 of this article, have the meaning ascribed to them in this subsection, except where the context clearly indicates a different meaning:

(1) "Maintaining a place of business in this Commonwealth," being the operator of a hotel in this Commonwealth.

(2) "Purchase at retail," occupancy.

(3) "Purchase price," rent.

(4) "Purchaser," occupant.

(5) "Sale at retail," the providing of occupancy to an occupant by an operator.

(6) "Tangible personal property," occupancy.

(7) "Vendor," operator.

(8) "Services," occupancy.

(9) "Use," occupancy.

Section 7. Section 210 of the act is amended to read:

Section 210. Imposition of Tax.—There is hereby imposed an excise tax of six and six tenths per cent of the rent upon every occupancy of a room or rooms in a hotel in this Commonwealth, which tax shall be collected by the operator from the occupant and paid over to the Commonwealth as herein provided.

Section 8. Section 217 of the act, amended July 2, 2012 (P.L.751, No.85), is amended to read:

Section 217. Time for Filing Returns.—(a) Quarterly and Monthly Returns:

(1) For the year in which this article becomes effective and in each year thereafter a return shall be filed quarterly by every licensee on or before the twentieth day of April, July, October and January for the three months ending the last day of March, June, September and December.

(2) For the year in which this article becomes effective, and in each year thereafter, a return shall be filed monthly with respect to each month by every licensee whose actual tax liability for the third calendar quarter of the preceding year equals or exceeds six hundred dollars (\$600) and is less than twenty-five thousand dollars (\$25,000). Such returns shall be filed on or before the twentieth day of the next succeeding month with respect to which the return is made. Any licensee required to file monthly returns hereunder shall be relieved from filing quarterly returns.

(3) With respect to every licensee whose actual tax liability for the third calendar quarter of the preceding year equals or exceeds twenty-five thousand dollars (\$25,000) and is less than one hundred thousand dollars (\$100,000), the licensee shall, on or before the twentieth day of each month, file a single return consisting of all of the following:

(i) Either of the following:

(A) An amount equal to fifty per centum of the licensee's actual tax liability for the same month in the preceding calendar year if the licensee was a monthly filer or, if the licensee was a quarterly or semi-annual filer, fifty per centum of the licensee's average actual tax liability for that tax period in the preceding calendar year. The average actual tax liability shall be the actual tax liability for the tax period



divided by the number of months in that tax period. For licensees that were not in business during the same month in the preceding calendar year or were in business for only a portion of that month, fifty per centum of the average actual tax liability for each tax period the licensee has been in business. If the licensee is filing a tax liability for the first time with no preceding tax periods, the amount shall be zero.

(B) An amount equal to or greater than fifty per centum of the licensee's actual tax liability for the same month.

(ii) An amount equal to the taxes due for the preceding month, less any amounts paid in the preceding month as required by subclause (i).

(4) With respect to each month by every licensee whose actual tax liability for the third calendar quarter of the preceding year equals or exceeds one hundred thousand dollars (\$100,000), the licensee shall, on or before the twentieth day of each month, file a single return consisting of the amounts under clause (3)(i)(A) and (ii).

(5) The amount due under clause (3)(i) or (4) shall be due the same day as the remainder of the preceding month's tax.

(6) The department shall determine whether the amounts reported under clause (3) or (4) shall be remitted as one combined payment or as two separate payments.

(7) The department may require the filing of the returns and the payments for these types of filers by electronic means approved by the department.

(8) Any licensee filing returns under clause (3) or (4) shall be relieved of filing quarterly returns.

(9) If a licensee required to remit payments under clause (3) or (4) fails to make a timely payment or makes a payment which is less than the required amount, the department may, in addition to any applicable penalties, impose an additional penalty equal to five per centum of the amount due under clause (3) or (4) which was not timely paid. The penalty under this clause shall be determined when the tax return is filed for the tax period.

(b) Annual Returns. [For the calendar year 1971, and for each year thereafter, no] No annual return shall be filed, except as may be required by rules and regulations of the department promulgated and published at least sixty days prior to the end of the year with respect to which the returns are made. Where such annual returns are required licensees shall not be required to file such returns prior to the twentieth day of the year succeeding the year with respect to which the returns are made.

(c) Other Returns. Any person, other than a licensee, liable to pay to the department any tax under this article, shall file a return on or before the twentieth day of the month succeeding the month in which such person becomes liable for the tax.

(d) Small Taxpayers. The department, by regulation, may waive the requirement for the filing of quarterly return in the case of any licensee whose individual tax collections do not exceed seventy-five dollars (\$75) per calendar quarter and may provide for reporting on a less frequent basis in such cases.

Section 9. Sections 225, 227 and 233 of the act are amended to read:

Section 225. Tax Held in Trust for the Commonwealth.—All taxes collected by any person from purchasers in accordance with this article and all taxes collected by any person from purchasers under color of this article which have not been properly refunded by such person to the purchaser shall constitute a trust fund for the Commonwealth, and such trust shall be enforceable against such person, his representatives and any person (other than a purchaser to whom a refund has been made properly) receiving any part of such fund without consideration, or knowing that the taxpayer is committing a breach of trust: Provided, however, That any person receiving payment of a lawful obligation of the taxpayer from such fund shall be presumed to have received the same in good faith and without any knowledge of the breach of trust. Notwithstanding any other provision of law, the department may enforce this section within ten years of the date the tax was collected. Any person, other than a taxpayer, against whom the department makes any claim under this section shall have

the same right to petition and appeal as is given taxpayers by any provisions of this part.

Section 227. Discount.—[If] Subject to subsection (b), if a return is filed by a licensee and the tax shown to be due thereon less any discount is paid all within the time prescribed, the licensee shall be entitled, as compensation for the expense of collecting and remitting the tax and as a consideration of the prompt payment of the tax, to credit and apply against the tax payable by him a discount of the lesser of:

(1) one per cent of the amount of the tax collected [by him on and after the effective date of this article, as compensation for the expense of collecting and remitting the same and as a consideration of the prompt payment thereof]; or

(2) as follows:

(i) twenty-five dollars per return for a monthly filer;

(ii) seventy-five dollars per return for a quarterly filer; or

(iii) one hundred and fifty dollars per return for a semiannual filer.

Section 233. Assessment to Recover Erroneous Refunds.—The department may, within two years of the granting of any refund or credit, or within the period in which an assessment could have been filed by the department with respect to the transaction pertaining to which the refund was granted, whichever period shall last occur, file an assessment to recover any refund or part thereof or credit or part thereof which was erroneously made or allowed for any reason.

Section 10. Section 247.1(b) of the act, amended July 25, 2007 (P.L.373, No.55), is amended to read:

Section 247.1. Refund of Sales Tax Attributed to Bad Debt.—\* \*

(b) The refund authorized by this section shall be limited to the sales tax paid to the department that is attributed to the bad debt, less any discount under section 227 of this act. Partial payments by the purchaser shall first be applied to and prorated between the original purchase price and the sales tax due on the sale before being applied to any other charge, fee or interest. Payments made on any transaction which includes both taxable and nontaxable components shall be allocated proportionally between the taxable and nontaxable components.

\* \* \*

Section 11. Section 252 of the act, amended October 18, 2006 (P.L.1149, No.119), is amended to read:

Section 252. Refunds.—[The] (a) Except for a refund under subsection (b), the department shall, pursuant to the provisions of Article XXVII, refund all taxes, interest and penalties paid to the Commonwealth under the provisions of this article and to which the Commonwealth is not rightfully entitled. Such refunds shall be made to the person, his heirs, successors, assigns or other personal representatives, who actually paid the tax: Provided, That no refund shall be made under this section with respect to any payment made by reason of an assessment with respect to which a taxpayer has filed a petition for reassessment pursuant to section 2702 of Article XXVII to the extent that said petition has been determined adversely to the taxpayer by a decision which is no longer subject to further review or appeal: Provided further, That nothing contained herein shall be deemed to prohibit a taxpayer who has filed a timely petition for reassessment from amending it to a petition for refund where the petitioner has paid the tax assessed.

(b) The following shall apply to a construction contract:

(1) Notwithstanding any other provision of this act, a refund may not be paid by the department for sales tax paid on a transaction which the claimant alleges was a construction contract. If the claimant alleges the transaction was a construction contract, the claimant may request a refund from the construction contractor within one year from the date the tax was paid.

(2) If the tax was not properly due, the construction contractor may refund the sales tax paid to the purchaser under paragraph (1) if the vendor issues a credit memorandum to the purchaser stating the amount of sales tax refunded.

(3) If a credit memorandum is issued, the construction contractor may take a credit for the sales tax refunded on the vendor's next sales tax return if the vendor pays the proper amount of use tax due on the same return. The amount of credit may not exceed the amount of tax due on the returns. Unused credits may be carried forward to subsequent returns.

(4) If the department subsequently determined that the transaction was subject to tax, the department may assess either or both the construction contractor and purchaser within the time period for assessment in section 258.

Section 12. The act is amended by adding a section to read:

Section 262. Assessment After Refunds.—Notwithstanding any other provision of this act, if a sales or use tax refund is granted, the department may assess another party to the transaction on which the refund was granted within three years of the date of the refund.

Section 13. (Reserved).

Section 14. Section 268(b) of the act, amended June 29, 2002 (P.L.559, No.89), is amended and the section is amended by adding a subsection to read:

Section 268. Crimes.—\* \* \*

(b) Other Crimes. (1) Except as otherwise provided by subsection (a) of this section, any person who advertises or holds out or states to the public or to any purchaser or user, directly or indirectly, that the tax or any part thereof imposed by this article will be absorbed by such person, or that it will not be added to the purchase price of the tangible personal property or services described in subclauses (2), (3), (4) and (11) through [(18)] (20) of clause (k) of section 201 of this article sold or, if added, that the tax or any part thereof will be refunded, other than when such person refunds the purchase price because of such property being returned to the vendor, and any person selling or leasing tangible personal property or said services the sale or use of which by the purchaser is subject to tax hereunder, who shall wilfully fail to collect the tax from the purchaser and timely remit the same to the department, and any person who shall wilfully fail or neglect to timely file any return or report required by this article or any taxpayer who shall refuse to timely pay any tax, penalty or interest imposed or provided for by this article, or who shall wilfully fail to preserve his books, papers and records as directed by the department, or any person who shall refuse to permit the department or any of its authorized agents to examine his books, records or papers, or who shall knowingly make any incomplete, false or fraudulent return or report, or who shall do, or attempt to do, anything whatever to prevent the full disclosure of the amount or character of taxable sales purchases or use made by himself or any other person, or shall provide any person with a false statement as to the payment of tax with respect to particular tangible personal property or said services, or shall make, utter or issue a false or fraudulent exemption certificate, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars (\$1000) and costs of prosecution, or undergo imprisonment not exceeding one year, or both: Provided, however, That any person maintaining a place of business outside this Commonwealth may absorb the tax with respect to taxable sales made in the normal course of business to customers present at such place of business without being subject to the above penalty and fines: and Provided further, That advertising tax-included prices shall be permissible, if the prepaid services are sold by the service provider, for prepaid telecommunications services not evidenced by the transfer of tangible personal property or for prepaid mobile telecommunications services.

[(2) The penalties imposed by this section shall be in addition to any other penalties imposed by any provision of this article.]

(c) (1) Notwithstanding any other provision of this part, any person who purchases, installs or uses in this Commonwealth an automated sales suppression device or zipper or phantomware with the intent to defeat or evade the determination of an amount due under this part commits a misdemeanor.

(i) Any person who, for commercial gain, sells, purchases, installs, transfers or possesses in this Commonwealth an automated

sales suppression device or zipper or phantomware with the knowledge that the sole purpose of the device is to defeat or evade the determination of an amount due under this part commits an offense which shall be punishable by a fine specified under subparagraph (ii) or by imprisonment for not more than one year, or by both. A person who uses an automated sales suppression device or zipper or phantomware shall be liable for all taxes, interest and penalties due as a result of the use of that device.

(ii) If a person is guilty of an offense under paragraph (1) and the person sold, installed, transferred or possessed not more than three automated sales suppression devices or zippers or phantomware, the person commits an offense punishable by a fine of not more than five thousand dollars (\$5,000).

(iii) If a person commits an offense under paragraph (1) and the person sold, installed, transferred or possessed more than three automated sales suppression devices or zippers or phantomware, the person commits an offense punishable by a fine of not more than ten thousand dollars (\$10,000).

(2) This subsection shall not apply to a corporation that possesses an automated sales suppression device or zipper or phantomware for the sole purpose of developing hardware or software to combat the evasion of taxes by use of automated sales suppression devices or zippers or phantomware.

(3) For purposes of this subsection:

"Automated sales suppression device" or "zipper" means a software program carried on a memory stick or removable compact disc, accessed through an Internet link or through any other means, that falsifies the electronic records of electronic cash registers and other point-of-sale systems, including, but not limited to, transaction data and transaction reports.

"Electronic cash register" means a device that keeps a register or supporting document through the means of an electronic device or computer system designed to record transaction data for the purpose of computing, compiling or processing retail sales transaction data in whatever manner.

"Phantomware" means a hidden programming option, which is either preinstalled or installed at a later time, embedded in the operating system of an electronic cash register or hardwired into the electronic cash register that can be used to create a virtual second till or may eliminate or manipulate a transaction record that may or may not be preserved in digital formats to represent the true or manipulated record of transactions in the electronic cash register.

"Transaction data" includes information regarding items purchased by a customer, the price for each item, a taxability determination for each item, a segregated tax amount for each of the taxed items, the amount of cash or credit tendered, the net amount returned to the customer in change, the date and time of the purchase, the name, address and identification number of the vendor and the receipt or invoice number of the transaction.

(d) This section shall not preclude prosecution under any other law.

(e) The penalties imposed by this section shall be in addition to any other penalties imposed by any provision of this article.

Section 15. Section 271(d) of the act is amended to read:

Section 271. Keeping of Records.—\* \* \*

(d) Keeping of Separate Records. Any [person doing business as a retail dealer] vendor who at the same time is engaged in another business or businesses which do not involve the making of sales taxable under this article, shall keep separate books and records of his businesses so as to show the sales taxable under this article separately from his sales not taxable hereunder. If any such person fails to keep such separate books and records, he shall be liable for tax at the rate designated in section 202 of this article upon the entire purchase price of sales from both or all of his businesses.

\* \* \*

Section 16. The act is amended by adding a section to read:

Section 281.3. Transfers.—Beginning February 1, 2016, the department shall make equal monthly transfers from revenues collected

under this article to a restricted revenue account in the General Fund. Revenue from the restricted revenue account shall be transferred to the Public School Employees' Retirement Fund. The Secretary of the Budget shall annually certify the amount that the department is to transfer to the Public School Employees' Retirement Fund for each fiscal year.

Section 17. Section 302 of the act, amended December 23, 2003 (P.L.250, No.46), is amended to read:

Section 302. Imposition of Tax.—(a) Every resident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income hereinafter enumerated in section 303, a tax upon each dollar of income received by that resident during that resident's taxable year at the rate of [three and seven hundredths] three and seven tenths per cent.

(b) Every nonresident individual, estate or trust shall be subject to, and shall pay for the privilege of receiving each of the classes of income hereinafter enumerated in section 303 from sources within this Commonwealth, a tax upon each dollar of income received by that nonresident during that nonresident's taxable year at the rate of [three and seven hundredths] three and seven tenths per cent.

Section 18. Section 303(a)(7) of the act, amended July 21, 1983 (P.L.63, No.29), is amended to read:

Section 303. Classes of Income.—(a) The classes of income referred to above are as follows:

\* \* \*

(7) Gambling and lottery winnings [other than prizes of the Pennsylvania State Lottery].

\* \* \*

Section 19. Section 304 of the act, amended December 13, 1991 (P.L.373, No.40) and December 23, 2003 (P.L.250, No.46), is amended to read:

Section 304. Special Tax Provisions for Poverty.—(a) The General Assembly, in recognition of the powers contained in section 2(b)(ii) of Article VIII of the Constitution of the Commonwealth of Pennsylvania which provides therein for the establishing as a class or classes of subjects of taxation the property or privileges of persons who, because of poverty are determined to be in need of special tax provisions hereby declares as its legislative intent and purpose to implement such power under such constitutional provision by establishing special tax provisions as hereinafter provided in this act.

(b) The General Assembly having determined that there are persons within this Commonwealth whose incomes are such that imposition of a tax thereon would deprive them and their dependents of the bare necessities of life and having further determined that poverty is a relative concept inextricably joined with actual income and the number of people dependent upon such income deems it to be a matter of public policy to provide special tax provisions for that class of persons hereinafter designated to relieve their economic burden.

(c) For the taxable year 1974 and each year thereafter any claimant who meets the following standards of eligibility established by this act as the test for poverty shall be deemed a separate class of subject of taxation, and, as such, shall be entitled to the benefit of the special provisions of this act.

(d) Any claim for special tax provisions hereunder shall be determined in accordance with the following:

(1) If the poverty income of the claimant during an entire taxable year is [six thousand five hundred dollars (\$6,500)] eight thousand seven hundred dollars (\$8,700) or less, or, in the case of a married claimant, if the joint poverty income of the claimant and the claimant's spouse during an entire taxable year is [thirteen thousand dollars (\$13,000)] seventeen thousand four hundred dollars (\$17,400) or less, the claimant shall be entitled to a refund or forgiveness of any moneys which have been paid over to (or would except for the provisions of this act be payable to) the Commonwealth under the provisions of this article, with an additional income allowance of nine thousand five hundred dollars (\$9,500) for each dependent of the claimant. For purposes of this subsection, a claimant shall not be considered to be married if:

(i) The claimant and the claimant's spouse file separate returns; and

(ii) The claimant and the claimant's spouse live apart at all times during the last six months of the taxable year or are separated pursuant to a written separation agreement.

(2) If the poverty income of the claimant during an entire taxable year does not exceed the poverty income limitations prescribed by clause (1) by more than the dollar category contained in subclauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) or (ix) of this clause, the claimant shall be entitled to a refund or forgiveness based on the per centage prescribed in such subclauses of any moneys which have been paid over to (or would have been except for the provisions herein be payable to) the Commonwealth under this article:

(i) Ninety per cent if not in excess of two hundred fifty dollars (\$250).

(ii) Eighty per cent if not in excess of five hundred dollars (\$500).

(iii) Seventy per cent if not in excess of seven hundred fifty dollars (\$750).

(iv) Sixty per cent if not in excess of one thousand dollars (\$1,000).

(v) Fifty per cent if not in excess of one thousand two hundred fifty dollars (\$1,250).

(vi) Forty per cent if not in excess of one thousand five hundred dollars (\$1,500).

(vii) Thirty per cent if not in excess of one thousand seven hundred fifty dollars (\$1,750).

(viii) Twenty per cent if not in excess of two thousand dollars (\$2,000).

(ix) Ten per cent if not in excess of two thousand two hundred fifty dollars (\$2,250).

(3) If an individual has a taxable year of less than twelve months, the poverty income thereof shall be annualized in such manner as the department may prescribe.

Section 20. The act is amended by adding a section to read:

Section 360. Restricted account and transfers to the Property Tax Relief Fund.—There is established in the General Fund a restricted account to be known as the Property Tax and Rent Relief Account that shall be for property tax and rent relief. Beginning January 2016, the Department of Revenue shall make equal monthly transfers from revenue collected under this article to the restricted account under this section. Beginning October 2016 and each October thereafter, the revenue in the restricted account under this section shall be transferred to the Property Tax Relief Fund. The Secretary of the Budget shall annually certify the amount that the department is to transfer to the fund for each calendar year.

Section 21. Section 401(3)(a) and (t), 2(a)(16.1) and 4(c)(1)(A) and (5) of the act, amended or added May 12, 1999 (P.L.26, No.4), October 9, 2009 (P.L.451, No.48) and July 9, 2013 (P.L.270, No.52), are amended, clause (3) is amended by adding subclauses, clause (3)(4)(c)(2)(B) is amended by adding a subparagraph, clause (3)(4)(c) is amended by adding paragraphs and the section is amended by adding clauses to read:

Section 401. Definitions.—The following words, terms, and phrases, when used in this article, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \*

(3) "Taxable income." 1. (a) In case the entire business of the corporation is transacted within this Commonwealth, for any taxable year which begins on or after January 1, 1971, taxable income for the calendar year or fiscal year as returned to and ascertained by the Federal Government or that is not required to file a return with the Federal Government, or in the case of a corporation participating in the filing of consolidated returns to the Federal Government, the taxable income which would have been returned to and ascertained by the Federal Government if separate returns had been made to the Federal Government for the current and prior taxable years, subject, however,

to any correction thereof, for fraud, evasion, or error as finally ascertained by the Federal Government.

\* \* \*

(t) (1) Except as provided in paragraph (2), (3) or (4) for taxable years beginning after December 31, 2014, and in addition to any authority the department has on the effective date of this paragraph to deny a deduction related to a fraudulent or sham transaction, no deduction shall be allowed for an intangible expense or cost, or an interest expense or cost, paid, accrued or incurred directly or indirectly in connection with one or more transactions with an affiliated entity. In calculating taxable income under this paragraph, when the taxpayer is engaged in one or more transactions with an affiliated entity that was subject to tax in this Commonwealth or another state or possession of the United States on a tax base that included the intangible expense or cost, or the interest expense or cost, paid, accrued or incurred by the taxpayer, the taxpayer shall receive a credit against tax due in this Commonwealth in an amount equal to the apportionment factor of the taxpayer in this Commonwealth multiplied by the greater of the following:

(A) the tax liability of the affiliated entity with respect to the portion of its income representing the intangible expense or cost, or the interest expense or cost, paid, accrued or incurred by the taxpayer; or

(B) the tax liability that would have been paid by the affiliated entity under subparagraph (A) if that tax liability had not been offset by a credit.

The credit issued under this paragraph shall not exceed the taxpayer's liability in this Commonwealth attributable to the net income taxed as a result of the adjustment required by this paragraph.

(2) The adjustment required by paragraph (1) shall not apply to a transaction that did not have as the principal purpose the avoidance of tax due under this article and was done at arm's length rates and terms.

(3) The adjustment required by paragraph (1) shall not apply to a transaction between a taxpayer and an affiliated entity domiciled in a foreign nation which has in force a comprehensive income tax treaty with the United States providing for the allocation of all categories of income subject to taxation, or the withholding of tax, on royalties, licenses, fees and interest for the prevention of double taxation of the respective nations' residents and the sharing of information.

(4) The adjustment required by paragraph (1) shall not apply to a transaction where an affiliated entity directly or indirectly paid, accrued or incurred a payment to a person who is not an affiliated entity, if the payment is paid, accrued or incurred on the intangible expense or cost, or interest expense or cost, and is equal to or less than the taxpayer's proportional share of the transaction. The taxpayer's proportional share shall be based on relative sales, assets, liabilities or another reasonable method.

(5) The adjustment required under paragraph (1) shall not apply to a transaction between the taxpayer and an affiliated entity if the taxpayer and the affiliated entity file a combined report in this State and the intangible expense or cost or interest expense or cost are eliminated pursuant to the definition of "combined business income" in section 401(15).

2. In case the entire business of any corporation, other than a corporation engaged in doing business as a regulated investment company as defined by the Internal Revenue Code of 1986, is not transacted within this Commonwealth, the tax imposed by this article shall be based upon such portion of the taxable income of such corporation for the fiscal or calendar year, as defined in subclause 1 hereof, and may be determined as follows:

(a) Division of Income.

\* \* \*

(16.1) (A) Sales from the sale, lease, rental or other use of real property, if the real property is located in this State. If a single parcel of real property is located both in and outside this State, the sale is in this State based upon the percentage of original cost of the real property located in this State.

(B) (I) Sales from the rental, lease or licensing of tangible personal property, if the customer first obtained possession of the

tangible personal property in this State.

(II) If the tangible personal property is subsequently taken out of this State, the taxpayer may use a reasonably determined estimate of usage in this State to determine the extent of sale in this State.

(C) (I) Sales from the sale of service, if the service is delivered to a location in this State. If the service is delivered both to a location in and outside this State, the sale is in this State based upon the percentage of total value of the service delivered to a location in this State.

(II) If the state or states of assignment under unit (I) cannot be determined for a customer who is an individual that is not a sole proprietor, a service is deemed to be delivered at the customer's billing address.

(III) If the state or states of assignment under unit (I) cannot be determined for a customer, except for a customer under unit (II), a service is deemed to be delivered at the location from which the services were ordered in the customer's regular course of operations. If the location from which the services were ordered in the customer's regular course of operations cannot be determined, a service is deemed to be delivered at the customer's billing address.

(D) Sales from the licensing of intangible property are in this State if a licensee utilized the property in this State. If the property was used both inside and outside this State, the sale is in this State in proportion to the utilization of the intangible property in this State to the utilization of the intangible property everywhere.

\* \* \*

4. \* \* \*

(c) (1) The net loss deduction shall be the lesser of:

(A) (I) For taxable years beginning before January 1, 2007, two million dollars (\$2,000,000);

(II) For taxable years beginning after December 31, 2006, the greater of twelve and one-half per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000);

(III) For taxable years beginning after December 31, 2008, the greater of fifteen per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000);

(IV) For taxable years beginning after December 31, 2009, the greater of twenty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000);

(V) For taxable years beginning after December 31, 2013, the greater of twenty-five per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or four million dollars (\$4,000,000);

(VI) For taxable years beginning after December 31, 2014, the greater of thirty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or five million dollars (\$5,000,000); [or]

(VII) For taxable years beginning after December 31, 2015, the greater of twelve and one-half per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000); or

\* \* \*

(2) \* \* \*

(B) The earliest net loss shall be carried over to the earliest taxable year to which it may be carried under this schedule. The total net loss deduction allowed in any taxable year shall not exceed:

\* \* \*

(VII) The greater of twelve and one-half per cent of the taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000) for taxable years beginning after December 31, 2015.

(3) Any member of a unitary business that has an unused net loss from taxable years that began prior to January 1, 2016, or that generated net losses while a member of a unitary business may only use the net loss for taxable years beginning after December 31, 2015.



and only to the extent of the member's apportionable share of combined business income. The net loss may not be used by other members of the same unitary business.

(4) Any net loss realized for a taxable year that begins after December 31, 2015, which is unused by a corporation which subsequently becomes a member of another unitary business may only be used by that corporation.

\* \* \*

5. (a) For taxable years beginning after December 31, 2015, business income of a unitary business that consists of two or more corporations shall be the combined business income of all members of the unitary business, as determined on a water's edge basis.

(b) Each member of a unitary business shall apportion the combined business income of the unitary business by multiplying the combined business income of the unitary business by the member's sales factor, the numerator of which shall be the member's sales attributable to this State and denominator of which shall be the combined sales of all members of the unitary business. In computing the sales of each member for purposes of apportionment, the following are excluded from the numerator and denominator:

(1) Receipts from transactions between or among members of the unitary business that are deferred under 26 CFR 1.1502-13 (relating to intercompany transactions).

(2) Business income of certain entities excluded from the definition of "combined business income."

(3) Dividends excluded from the definition of "combined business income."

(c) For taxable years beginning after December 31, 2015, any member of the group that would otherwise apportion the member's business income under section 401(3)(b), (c), (d) or (e) shall convert the member's apportionment formula into a single sales fraction, as prescribed by the department.

(d) Nonbusiness income of each member of a unitary business shall be allocated as provided in paragraphs (5), (6), (7) and (8) of phrase (a) of subclause 2 of the definition of "taxable income."

(e) The taxable income of a member of a unitary business shall include the member's apportioned share of the combined business income of the unitary business plus the member's nonbusiness income or loss allocated to this State, minus the member's net loss deduction.

(f) The Secretary of Revenue shall make adjustments to insure that a corporation does not incur an unfair penalty nor realize an unfair benefit because the corporation is required to compute the corporation's combined business income as provided in this subclause. Fairness shall be measured by whether the corporation's income allocated and apportioned to this State fairly reflects the corporation's share of the unitary business conducted in this State in the taxable year.

6. (a) In any case of two or more organizations, trades or businesses, regardless of whether they are incorporated, organized in the United States or affiliated, owned or controlled, directly or indirectly, by the same interests, the Secretary of Revenue may distribute, apportion or allocate gross income, deductions, credits or allowances between or among the organizations, trades or businesses, if the Secretary of Revenue determines that the distribution, apportionment or allocation is necessary to prevent evasion of taxes or clearly to reflect the income of any of the organizations, trades or businesses.

(b) In the case of any transfer or license of intangible property within the meaning of section 936(h)(3)(B) of the Internal Revenue Code (26 U.S.C. § 936(h)(3)(B)), the income with respect to the transfer or license shall be commensurate with the income attributable to the intangible property.

(c) In making distributions, apportionment and allocations under this section, the Secretary of Revenue shall generally follow the rules, regulations and procedures of the Internal Revenue Service in making audits under section 482 of the Internal Revenue Code (26 U.S.C. § 482) consistent with this act and 61 Pa. Code (relating to revenue).

(d) No inference shall be drawn from an Internal Revenue Service failure to audit international transactions pursuant to section

482 of the Internal Revenue Code or Subchapter N of Chapter 1 of Subtitle A of the Internal Revenue Code (26 U.S.C. Subt. A Ch. 1 Subch. N) and it shall not be presumed that any of the transactions were correctly reported.

\* \* \*

(5) "Taxable year." [The] 1. Except as set forth in subclause 2, the taxable year which the corporation, or any consolidated group with which the corporation participates in the filing of consolidated returns, actually uses in reporting taxable income to the Federal Government[,], or which the corporation would have used in reporting taxable income to the Federal Government had it been required to report its taxable income to the Federal Government. With regard to the tax imposed by Article IV of this act (relating to the Corporate Net Income Tax), the terms "annual year," "fiscal year," "annual or fiscal year," "tax year" and "tax period" shall be the same as the corporation's taxable year, as defined in this [paragraph] subclause or subclause 2.

2. Each member of a unitary business shall have a common taxable year for purposes of computing tax due under this article. The taxable year for the purposes shall be the common taxable year adopted, in a manner prescribed by the department, by all members of a unitary business. The common taxable year must be used by each member of the unitary business in the year of adoption and each future year unless otherwise permitted by the department.

\* \* \*

(11) "Tax haven." Means:

1. A jurisdiction that at the beginning of a taxable year is a tax haven as identified by the Organization for Economic Co-operation and Development.

2. Bermuda.

3. The Cayman Islands.

4. The Bailiwick of Jersey.

5. The Grand Duchy of Luxembourg.

(12) "Unitary business." A single economic enterprise that is made up of separate parts of a single corporation, of a commonly controlled group of corporations, or both, that are sufficiently interdependent, integrated and interrelated through their activities so as to provide a synergy and mutual benefit that produces a sharing or exchange of value among them and a significant flow of value to the separate parts. A unitary business shall include only those parts and corporations which may be included as a unitary business under the Constitution of the United States.

(13) "Water's-edge basis." A system of reporting that includes the business income and apportionment factors of certain entities of a unitary business, described as follows:

1. The business income and apportionment factors of any member incorporated in the United States or formed under the laws of any state of the United States, the District of Columbia, any territory or possession of the United States or the Commonwealth of Puerto Rico.

2. The business income and apportionment factors of any member, regardless of the place incorporated or formed, if the average of its property, payroll and sales factors within the United States is twenty per cent or more.

3. The business income and apportionment factor of any member which is a domestic international sales corporation as described in sections 991, 992, 993 and 994 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §§ 991, 992, 993 and 994); a foreign sales corporation as described in former sections 921, 922, 923, 924, 925, 926 and 927 of the Internal Revenue Code of 1986 (formerly 26 U.S.C. §§ 921, 922, 923, 924, 925, 926 and 927); or any member which is an export trade corporation, as described in sections 970 and 971 of the Internal Revenue Code of 1986 (26 U.S.C. §§ 970 and 971).

4. Any member not described in subclauses 1, 2 and 3 shall include the portion of the member's business income derived from or attributable to sources within the United States, as determined under the Internal Revenue Code of 1986 without regard to Federal treaties, and the member's apportionment factors related to the business income.

5. Any member that is a "controlled foreign corporation" as

defined in section 957 of the Internal Revenue Code of 1986 (26 U.S.C. § 957), to the extent the business income of that member is income defined in section 952 of the Internal Revenue Code of 1986 (26 U.S.C. § 952), Subpart F income, not excluding lower-tier subsidiaries' distributions of the income which were previously taxed, determined without regard to Federal treaties, and the apportionment factors related to that income; any item of income received by a controlled foreign corporation and the apportionment factors related to the income shall be excluded if the corporation establishes to the satisfaction of the Secretary of Revenue that such income was subject to an effective rate of income tax imposed by a foreign country greater than ninety per cent of the maximum rate of tax specified in section 11 of the Internal Revenue Code of 1986 (26 U.S.C. § 11). The effective rate of income tax determination shall be based upon the methodology set forth under 26 CFR 1.954-1 (relating to foreign base company income).

6. The business income and apportionment factors of any member that is not described in subclause 1, 2, 3, 4 and 5 and that is doing business in a tax haven. The business income and apportionment factors of a corporation doing business in a tax haven shall be excluded if the corporation establishes to the satisfaction of the Secretary of Revenue that its income was subject to an effective rate of income tax imposed by a country greater than ninety per cent of the maximum rate of tax specified in section 11 of the Internal Revenue Code of 1986 (26 U.S.C. § 11).

(14) "Commonly controlled group." For a corporation, the corporation is a member of a group of two or more corporations and more than fifty per cent of the voting stock, or controlling interest, of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group.

(15) "Combined business income." The aggregate taxable income or loss of all members of a unitary business, subject to apportionment except:

1. Income from an intercompany transaction between members of a unitary business shall be deferred in a manner similar to 26 CFR 1.1502-13.

2. Dividends paid by one member of a unitary business to another to the extent the dividends are included in business income of the payee corporation.

3. Income of the following corporations shall not be included in the determination of combined business income:

(a) any entity subject to taxation under Article VII, VIII, IX or XV;

(b) any entity specified in the definition of "institution" in section 701.5 that would be subject to taxation under Article VII if it were doing business in this Commonwealth as defined in section 701.5;

(c) any entity commonly known as a title insurance company that would be subject to taxation under Article VIII were it incorporated in this State;

(d) any entity specified as an insurance company, association or exchange in Article IX that would be subject to taxation under Article IX were it transacting insurance business in this State;

(e) any entity specified in the definition of "institution" in section 1501 that would be subject to taxation under Article XV were it located, as defined in section 1501, in this State; or

(f) any entity that is a "small corporation", as defined in section 301(s.2).

(16) "Member." A corporation that is a member of the unitary business. The term does not include a corporation listed in clause (15)3.

Section 22. Section 402(b) of the act, amended June 29, 2002 (P.L.559, No.89), is amended to read:

Section 402. Imposition of Tax.—\* \* \*

(b) The annual rate of tax on corporate net income imposed by subsection (a) for taxable years beginning for the calendar year or fiscal year on or after the dates set forth shall be as follows:

Taxable Year	Tax Rate
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[January 1, 1995, and each taxable year thereafter	9.99%]
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January 1, 1995, through taxable years ending December 31, 2015	9.99%
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January 1, 2016, to December 31, 2016	5.99%
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January 1, 2017, to December 31, 2017	5.49%
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January 1, 2018, to December 31, 2018, and each taxable year thereafter	4.99%
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\* \* \*

Section 23. Section 403 of the act is amended by adding subsections to read:

Section 403. Reports and Payment of Tax.—\* \* \*

(a.1) The following apply:

(1) Each corporation that is a member of a unitary business that consists of two or more corporations, unless excluded by the provisions of this article, shall file as part of a combined annual report. The corporations of the unitary business shall designate one member that is subject to tax under this article to file the combined annual report and to act as agent on behalf of all other members of the unitary business. Each corporation that is a member of a unitary business shall be liable for its tax liability under this article. The agent shall be liable for the aggregate amount of the unitary business' tax liability pursuant to this article.

(2) The oath or affirmation of the designated member's president, vice president or other principal officer, and of its treasurer or assistant treasurer shall constitute the oath or affirmation of each corporation that is a member of that unitary business.

(3) The designated member shall transmit to the department upon a form prescribed by the department, an annual combined report under oath or affirmation of the designated member's president, vice president or other principal officer, and of the designated treasurer or assistant treasurer.

(4) In addition to the information required in subsection (a), the report shall include:

(i) Each corporation included in the unitary business.

(ii) Necessary data, both in the aggregate and for each corporation of the unitary business, that includes the computation of tax liability for each corporation of the unitary business.

(iii) Any other information that the department may require.

(a.2) A corporation that is a member of a unitary business of two or more corporations must compute the corporation's business income and apportionment factors on a water's-edge basis.

\* \* \*

Section 24. Section 404 of the act is amended to read:

Section 404. Consolidated Reports.—The department shall not permit any corporation owning or controlling, directly or indirectly, any of the voting capital stock of another corporation or of other corporations, subject to the provisions of this article, to make a consolidated report[, showing the combined net income].

Section 25. Sections 701, 701.1 and 701.4(3)(xiii) of the act, amended July 9, 2013 (P.L.270, No.52), are amended to read:

Section 701. Imposition of Tax.—(a) Every institution doing business in this Commonwealth shall, on or before March 15 in each and every year, make to the Department of Revenue a report in writing, verified as required by law, setting forth the full number of shares of the capital stock subscribed for or issued, as of the preceding January 1, by such institution, and the taxable amount of such shares of capital stock determined pursuant to section 701.1.

(b) It shall be the duty of the Department of Revenue to assess such shares for the calendar years beginning January 1, 1971 through January 1, 1983, at the rate of fifteen mills and for the calendar years beginning January 1, 1984 through January 1, 1988, at the rate of one and seventy-five one thousandths per cent and for the calendar year beginning January 1, 1989, at the rate of 10.77 per cent and for the

calendar years beginning January 1, 1990, [through January 1, 2013,] and each year thereafter at the rate of 1.25 per cent [and for the calendar year beginning January 1, 2014, and each calendar year thereafter at the rate of 0.89 per cent] upon each dollar of taxable amount thereof, the taxable amount of each share of stock to be ascertained and fixed pursuant to section 701.1, and dividing this amount by the number of shares.

(c) It shall be the duty of every institution doing business in this Commonwealth, at the time of making every report required by this section, to compute the tax and to pay the amount of said tax to the State Treasurer, through the Department of Revenue either from its general fund, or from the amount of said tax collected from its shareholders. Provided, That in case any institution shall collect, annually, from the shareholders thereof said tax, according to the provisions of this article, that have been subscribed for or issued, and pay the same into the State Treasury, through the Department of Revenue, the shares, and so much of the capital and profits of such institution as shall not be invested in real estate, shall be exempt from local taxation under the laws of this Commonwealth; and such institution shall not be required to make any report to the local assessor or county commissioners of its personal property owned by it in its own right for purposes of taxation and shall not be required to pay any tax thereon.

Section 701.1. Ascertainment of Taxable Amount; Exclusion of United States Obligations.—(a) The taxable amount of shares shall be ascertained and fixed by the book value of total bank equity capital as determined by the Reports of Condition at the end of the preceding calendar year in accordance with the requirements of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation or other applicable regulatory authority. If an institution does not file the Reports of Condition, book values shall be determined by generally accepted accounting principles as of the end of the preceding calendar year.

(b) A deduction for the value of United States obligations shall be provided from the taxable amount of shares in an amount equal to the same percentage of total bank equity capital as the book value of obligations of the United States bears to the book value of the total assets[, except that, for the value of shares reported on tax returns due on March 15, 2008, and thereafter]. In computing the deduction for United States obligations, any goodwill recorded as a result of the use of purchase accounting for an acquisition or combination as described in this section and occurring after June 30, 2001, [may] shall be subtracted from the book value of total bank equity capital and disregarded in determining the deduction provided for obligations of the United States. For purposes of this article, United States obligations shall be obligations coming within the scope of 31 U.S.C. § 3124 (relating to exemption from taxation). [In the case of institutions which do not file such Reports of Condition, book values shall be determined by generally accepted accounting principles as of the end of the preceding calendar year.]

(b.1) A deduction for goodwill shall be provided from the taxable amount of shares in an amount equal to the value of goodwill recorded as a result of the use of purchase accounting for an acquisition or combination as described in this section and occurring after June 30, 2001.

(c) For purposes of this section:

(1) a mere change in identity, form or place of organization of one institution, however effected, shall be treated as if a single institution had been in existence prior to as well as after such change; and

(2) if there is a combination of two or more institutions into one, the book values and deductions for United States obligations from the Reports of Condition of the constituent institutions shall be combined. For purposes of this section, a combination shall include any acquisition required to be accounted for by using the purchase method in accordance with generally accepted accounting principles or a statutory merger or consolidation.

Section 701.4. Apportionment.—An institution may apportion its taxable amount of shares determined under section 701.1 in accordance with this subsection if the institution is subject to tax in another state based on or measured by net worth, gross receipts, net income or some similar base of taxation, or if it could be subject to such tax, whether or not such a tax has in fact been enacted. The following shall apply:

\*\*\*

(3) The receipts factor is a fraction, the numerator of which is total receipts located in this Commonwealth and the denominator of which is the total receipts located in all states. The method of calculating receipts for purposes of the denominator shall be the same as the method used in determining receipts for purposes of the numerator. The location of receipts shall be determined as follows:

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(xiii) The following shall apply to receipts from an institution's investment assets and activity and trading assets and activity:

(A) Interest, dividends, net gains equal to zero or above, and other income from investment assets and activities and from trading assets and activities shall be included in the receipts factor. Investment assets and activities and trading assets and activities shall include investment securities, trading account assets, Federal funds, securities purchased and sold under agreements to resell or repurchase, options, futures contracts, forward contracts and notional principal contracts such as swaps, equities and foreign currency transactions. For the investment and trading assets and activities under subclauses (I) and (II), the receipts factor shall include the amounts under subclauses (I) and (II). The following shall apply:

(I) The receipts factor shall include the amount by which interest from Federal funds sold and securities purchased under resale agreements exceeds interest expense on Federal funds purchased and securities sold under repurchase agreements.

(II) The receipts factor shall include the amount by which interest, dividends, gains and other income from trading assets and activities, including assets and activities in the matched book, in the arbitrage book and foreign currency transactions, exceed amounts paid in lieu of interest, amounts paid in lieu of dividends and losses from the assets and activities.

(B) The numerator of the receipts factor shall include [interest, dividends, net gains, equal to zero or above, and other income from investment assets and activities and from trading assets and activities] the receipts under clause (A) that are attributable to this Commonwealth using one of the following alternative methods:

(I) Method 1. The numerator shall be determined by multiplying the total amount of receipts [from trading assets and activities] under clause (A) by a fraction, the numerator of which is the total amount of all other receipts attributable to this Commonwealth and the denominator of which is the total amount of all other receipts.

(II) Method 2. The numerator shall be determined by multiplying the total amount of receipts under clause (A) by a fraction, the numerator of which is the average value of the assets which generate the receipts which are properly assigned to a regular place of business of the institution within this Commonwealth and the denominator of which is the average value of all such assets.

(C) Upon the election by the institution to use one of the methods under clause (B), the institution shall use the method on all subsequent returns unless the institution receives prior permission from the Department of Revenue to use a different method.

(D) The following shall apply:

(I) An institution electing to use Method 2 shall have the burden of proving that an investment asset or activity or trading asset or activity was properly assigned to a regular place of business outside of this Commonwealth by demonstrating that the day-to-day decisions regarding the asset or activity occurred at a regular place of business outside this Commonwealth.

(II) If the day-to-day decisions regarding an investment asset or activity or trading asset or activity occur at more than one regular place of business and one regular place of business is in this Commonwealth and one regular place of business is outside this Commonwealth, the

asset or activity shall be considered to be located at the regular place of business of the institution where the investment or trading policies or guidelines with respect to the asset or activity are established.

(III) Unless the institution demonstrates to the contrary, the investment or trading policies and guidelines under subclause (II) shall be presumed to be established at the commercial domicile of the institution.

[(E) Receipts apportioned under this subparagraph shall be separately apportioned for:

(I) interest, dividends, net gains and other income from investment assets and activities in an investment account;

(II) interest from Federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements; and

(III) interest, dividends, gains and other income from trading assets and activities, including assets and activities in the matched book, in the arbitrage book and foreign currency transactions.]

\* \* \*

Section 26. The definitions of "doing business in this Commonwealth" and "receipts" in section 701.5 of the act, amended July 9, 2013 (P.L.270, No.52), are amended to read:

Section 701.5. Definitions.—The following words, terms and phrases when used in this article shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \*

"Doing business in this Commonwealth." As follows:

(1) An institution is engaged in doing business in this Commonwealth and is subject to the tax imposed under this article if it satisfies any of the following requirements [and generates gross receipts apportioned to this Commonwealth under section 701.4 in excess of \$100,000]:

(i) The institution has an office or branch in this Commonwealth.

(ii) One or more employees, representatives, independent contractors or agents of the institution conduct business activities of the institution in this Commonwealth.

(iii) A person, including an employee, representative, independent contractor, agent or affiliate of the institution, or an employee, representative, independent contractor or agent of an affiliate of the institution, directly or indirectly solicits business in this Commonwealth by or for the benefit of the institution, through:

(A) person-to-person contact, mail, telephone or other electronic means; or

(B) the use of advertising published, produced or distributed in this Commonwealth.

(iv) The institution owns, leases or uses real or personal property in this Commonwealth to conduct its business activities.

(v) The institution holds a security interest, mortgage or lien in real or personal property located in this Commonwealth.

(vi) A basis exists under section 701.4 to apportion the institution's receipts to this Commonwealth.

(vii) The institution has a physical presence in this Commonwealth for a period of more than one day during the tax year or conducts an activity sufficient to create a nexus in this Commonwealth for tax purposes under the Constitution of the United States.

(2) The term shall not include:

(i) The use by the institution of a professional performing a service on behalf of the institution in this Commonwealth if the services are not significantly associated with the institution's ability to establish and maintain a market in this Commonwealth.

(ii) The mere use of financial intermediaries in this Commonwealth by an institution for the processing or transfer of checks, credit card receivables, commercial paper and similar items.

\* \* \*

"Receipts." [As follows:

(1) Except as provided under paragraph (2), an item included in

taxable income returned to and ascertained by the Federal Government.

(2) If consolidated returns are filed with the Federal Government, an item that would be included in taxable income returned to and ascertained by the Federal Government if a separate return had been made to the Federal Government by the institution, including the taxable income of a subsidiary of the institution that are disregarded entities for purposes of Federal taxation.] The total of all items of income reported on the income statement of the institution's Reports of Condition or, if the institution does not file a Reports of Condition, on an income statement completed in accordance with generally accepted accounting principles.

\* \* \*

Section 27. Sections 1206 and 1206.1 of the act, amended October 9, 2009 (P.L.451, No.48), are amended to read:

Section 1206. Incidence and Rate of Tax.—An excise tax is hereby imposed and assessed upon the sale or possession of cigarettes within this Commonwealth at the rate of [eight] thirteen cents per cigarette.

Section 1206.1. Floor Tax.—(a) The following apply:

(1) A person who possesses cigarettes on which the tax imposed by section 1206 has been paid as of the effective date of this section shall pay an additional tax at a rate of [one and twenty-five hundredths] five cents per cigarette. The tax shall be paid and reported on a form prescribed by the department within ninety days of the effective date of this section.

(2) On or after the effective date of this paragraph, a person that possesses little cigars in a package which is similar to a package of cigarettes other than little cigars and which contains twenty to twenty-five little cigars shall pay a tax at the rate of [eight] five cents per little cigar. The tax shall be paid and reported on a form prescribed by the department within ninety days of the effective date of this paragraph.

(3) [After January 3, 2010,] On or after October 1, 2015, a retailer that possesses little cigars on which the tax imposed by this article has not been paid shall pay a tax at the rate of [eight] five cents per little cigar. The tax shall be paid and reported on a form prescribed by the department within ninety days of the effective date of this paragraph.

(b) If a cigarette dealer fails to file the report required by subsection (a) or fails to pay the tax imposed by subsection (a), the department may, in addition to the interest and penalties provided in section 1278, do any of the following:

(1) Impose an administrative penalty equal to the amount of tax evaded or not paid. The penalty shall be added to the tax evaded or not paid and assessed and collected at the same time and in the same manner as the tax.

(2) Suspend or revoke a cigarette dealer's license.

(c) In addition to any penalty imposed under subsection (b), a person who wilfully omits, neglects or refuses to comply with a duty imposed under subsection (a) commits a misdemeanor and shall, upon conviction, be sentenced to pay a fine of not less than two thousand five hundred dollars (\$2,500) nor more than five thousand dollars (\$5,000), to serve a term of imprisonment not to exceed thirty days or both.

Section 28. The act is amended by adding articles to read:

#### ARTICLE XI-E

#### EDUCATION REINVESTMENT

#### PART I

#### SEVERANCE TAX

#### Section 1101-E. Definitions.

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

"Association." A partnership, limited partnership or any other form of unincorporated enterprise owned or conducted by two or more persons.

"Barrel." Forty-two United States gallons at an atmospheric pressure of 231 cubic inches of liquid at a standard temperature of 60 degrees Fahrenheit.



"Corporation." A corporation, joint stock association, limited liability company, business trust or any other incorporated enterprise organized under the laws of the United States, this Commonwealth or any other state, territory or foreign country or dependency.

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

"Dry natural gas." Hydrocarbon gases, consisting mostly of methane, that remain after the natural gas liquid portion of the natural gas stream has been removed and any volume of nonhydrocarbon gases have been removed in sufficient quantity to render the gas marketable. The term includes consumer-grade natural gas or pipeline-quality natural gas.

"Gross proceeds." The value, whether in money or other property, actually proceeding from the sale of property, without a deduction for the cost of property sold or expenses of any kind.

"Gross value." The gross proceeds received or receivable for property transferred, except as follows:

(1) In a transaction involving related parties, gross proceeds of the property transferred may not be less than the fair market value of similar grade and quality property.

(2) In the absence of a sale, gross proceeds of the property transferred may not be less than the fair market value of similar grade and quality property.

(3) In a transaction where property is transferred for the purpose of processing and resale, gross proceeds of the property transferred may not be less than the fair market value of similar grade and quality property.

(4) Under no circumstance shall the gross proceeds be less than \$20.00 per barrel.

"Meter." A device to measure the passage of volumes of gases or liquids past a certain point.

"Natural gas." A fossil fuel consisting of a mixture of hydrocarbon gases, including methane, ethane, propane, butane, carbon dioxide, oxygen, nitrogen and hydrogen sulfide and other gas species. The term includes natural gas from oil fields known as associated gas or casing head gas, natural gas fields known as nonassociated gas, coal beds, shale beds and other formations.

"Natural gas liquids." Hydrocarbons including ethane, propane, butane, isobutane and pentane that are separated from natural gas as liquids through the process of absorption, condensation, adsorption, cooling in gas separators, gas processing or cycling plants.

"Person." Includes a corporation, partnership, limited liability company, business trust, other association, a government entity other than the Commonwealth, estate, trust, foundation or natural person.

"Producer." A person who engages or continues within this Commonwealth in the business of severing natural gas for sale, profit or commercial use.

"Producing site." A point of severance, including a well and its associated zones and multilateral well bores, that is capable of producing natural gas from an unconventional formation.

"Related parties." Two or more people, organizations or businesses owned or controlled directly or indirectly by the same interests. Control exists if a contract or lease, either written or oral, is entered into where one party severs or processes natural gas owned or held by another party and the owner or lessor participates in the severing, processing or marketing of the natural gas or receives any value other than an arm's-length passive royalty interest.

"Reporting period." A calendar month in which natural gas is severed.

"Sales meter." A meter at the point where natural gas is sold or transported to a purchaser or the market.

"Sever." The extraction or other removal of natural gas from an unconventional formation in this Commonwealth.

"Storage field." A natural formation or other site that is used to store natural gas that did not originate from and has been transplanted into such formation or site.

"Stripper well." A producing site that produced an average of less than 50 units of natural gas per day during the calendar year

immediately preceding a reporting period.

"Tax." The tax imposed under this article.

"Taxpayer." A person subject to the tax imposed by this article.

"Unconventional formation." A geological shale formation existing below the base of the Elk Sandstone or its geologic equivalent stratigraphic interval where natural gas generally cannot be produced at economic flow rates or in economic volumes except by vertical or horizontal well bores stimulated by hydraulic fracture treatments or using multilateral well bores or other techniques to expose more of the formation to the well bore.

"Unit." A thousand cubic feet (Mcf) of natural gas at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 pounds per square inch, in accordance with American Gas Association (AGA) standards and according to Boyle's law for the measurement of gas under varying pressures with deviations therefrom as follows:

(1) The average absolute atmospheric pressure shall be assumed to be 14.4 pounds to the square inch, regardless of actual elevation or location of point of delivery above sea level or variations in such atmospheric pressure from time to time.

(2) The temperature of the gas passing the meters shall be determined by the continuous use of a recording thermometer installed so that the thermometer may properly record the temperature of the gas flowing through the meters. The arithmetic average of the temperature recorded each 24-hour day shall be used in computing gas volumes. If a recording thermometer is not installed, or if installed and not operating properly, an average flowing temperature of 60 degrees Fahrenheit shall be used in computing gas volume.

(3) The specific gravity of the gas shall be determined by tests made by the use of an Edwards or Acme gravity balance, annually, or at intervals as are found necessary in practice. Specific gravity shall be used in computing gas volumes.

(4) The deviation of the natural gas from Boyle's law shall be determined by tests annually or at other shorter intervals as are found necessary in practice. The apparatus and the method to be used in making the tests shall be in accordance with recommendations of the Natural Bureau of Standards of the Department of Commerce, or Report No. 3 of the Gas Measurement Committee of the American Gas Association, or any amendments thereof. The results of the tests shall be used in computing the volume of gas delivered.

"Wellhead meter." A meter placed at a producing site to measure the actual volume of natural gas severed.

Section 1102-E. Imposition of tax.

(a) Imposition.—There is hereby levied a privilege tax on every producer.

(b) Rate.—The tax imposed under subsection (a) shall be the sum of the following:

(1) Four and seven tenths cents of each unit of natural gas severed measured at the wellhead meter.

(2) Five percent of the average market price as calculated in section 1103-E of the dry natural gas derived from the natural gas severed.

(3) Five percent of the gross value of the natural gas liquids derived from the natural gas severed as shown by the gross proceeds derived from the sale by the producer.

(c) Exemptions.—The tax imposed under subsection (a) shall not be imposed upon the following:

(1) Natural gas, dry natural gas or natural gas liquids severed under a natural gas lease and provided to a lessor for no consideration.

(2) Natural gas, dry natural gas or natural gas liquids severed from a stripper well.

(3) Natural gas, dry natural gas or natural gas liquids severed from a storage field.

Section 1103-E. Calculation and publication of average market price.

The department shall calculate the average market price per unit of dry natural gas for each calendar quarter. The average market price

shall be the weighted average price per unit for all major Commonwealth distribution hubs on the interstate natural gas pipeline system for the three months prior to the calendar quarter. The department shall publish a notice of the average market price which shall be at least \$2.97 per unit for each calendar quarter in the Pennsylvania Bulletin not later than within 30 days of the beginning of each calendar quarter.

#### Section 1104-E. Prohibition.

A producer may not make the tax imposed under section 1102-E on natural gas severed under a natural gas lease, an obligation, indebtedness or liability of a landowner, leaseholder or other person in possession of real property upon which the removal or extraction occurs.

#### Section 1104.1-E. Existing agreements.

A provision of an agreement, which is in existence prior to the effective date of this section, which violates section 1104-E is declared to be illegal, contrary to public policy and null and void.

#### Section 1104.2-E. Future agreements.

On or after the effective date of this section, a provision of an agreement in violation of section 1104-E is declared to be illegal, contrary to public policy and null and void.

#### Section 1105-E. Return and payment.

(a) Return.—Each producer is required to file a return with the department, on a form to be prescribed by the department, reporting all severed natural gas per reporting period and the tax due as imposed under section 1102-E.

(b) Filing.—The return required by subsection (a) must be filed with the department on or before the 20th day of the fourth calendar month after a reporting period.

(c) Due date.—The tax imposed under section 1102-E is due on the day the return is required to be filed and becomes delinquent if not remitted to the department by that date.

#### Section 1106-E. Natural gas severance tax licensing.

(a) License required.—Each producer subject to tax under this part must apply to the department for a severance tax license before severing natural gas from this Commonwealth. Producers who have been severing natural gas from this Commonwealth prior to the effective date of this part must obtain a license from the department within six months from the effective date of this part. All other producers must obtain a license before severing natural gas from this Commonwealth. A producer is liable for the tax imposed by this article without regard to whether the producer obtains or is required to obtain a license.

(b) Fee.—The department may charge an application fee to cover the administrative costs associated with the application and licensing process. If the department charges an application fee, the department may not issue a license until the producer has paid the application fee.

(c) Declaration.—As part of the application for a license, the producer is required to provide a declaration of all sites in this Commonwealth used for the severance of natural gas. The declaration is to include all producing sites and sites which are stripper wells. The producer is required to update the declaration when the producer adds or removes a producing site in this Commonwealth or when there is a change in the status of a producing site. The producer shall update the declaration within 30 days after any calendar month in which a change to the declaration occurs.

(d) Department duties.—The department shall, after the receipt of an application, issue the license applied for under subsection (a), if the applicant filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan. The license shall be nonassignable. Each producer shall be required to renew the license on a staggered renewal system established by the department. After the initial staggered period, a license issued shall be valid for a period of five years.

(e) State taxes.—If an applicant for a license or a person holding a license has not filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal

or subject to a duly authorized deferred payment plan, the department may refuse to issue, suspend or revoke the license. The department shall notify the applicant or registrant of a refusal, suspension or revocation. The notice shall contain a statement that the refusal, suspension or revocation may be made public. The notice shall be made by first class mail. An applicant or registrant aggrieved by the determination of the department may file an appeal of the determination in the same manner as provided for reassessments of tax under section 1108-E of this article. In the case of a suspension or revocation which is appealed, the license shall remain valid pending a final outcome of the appeal. Notwithstanding any other provision of law to the contrary, if no appeal is taken or if an appeal is taken and denied at the conclusion of the appeal process, the department may disclose, by publication or otherwise, the identity of a person and evidence that the person's license has been refused, suspended or revoked under this subsection. Disclosure may include the basis for refusal, suspension or revocation.

(f) Severing without a license.—A person that severs natural gas in this Commonwealth without holding a valid license under this section shall be guilty of a summary offense and, upon conviction thereof, be sentenced to pay a fine of not less than \$300 nor more than \$1,500 and, in default thereof, to undergo imprisonment of not less than five days nor more than 30 days. The penalties imposed by this subsection shall be in addition to any other penalties imposed by this article. For purposes of this subsection, the severing of natural gas during any calendar day shall constitute a separate violation. The Secretary of Revenue may designate employees of the department to enforce the provisions of this subsection. The employees shall exhibit proof of and be within the scope of the designation when instituting proceedings as provided by the Pennsylvania Rules of Criminal Procedure.

(g) Liability.—Failure to obtain a license does not relieve a person from liability for the tax imposed by this part.

(h) Civil penalty.—In addition to any tax, interest or other penalty due under this act, the department shall impose a civil penalty of 10¢ per unit severed during the period a producer is required to and does not have a license. The penalty shall be assessed and collected under this part.

#### Section 1107-E. Meters.

A producer shall provide for and maintain discrete wellhead and sales meters. A producer shall ensure that all meters are maintained according to industry standards.

#### Section 1108-E. Administration of tax.

Unless otherwise noted to the contrary, Article II, Part VI, Chapters IV-VIII shall apply to this act.

#### Section 1109-E. Records.

The records to be maintained include:

(1) Wellhead and sales meter charts for each reporting period and the meter calibration and maintenance records. If turbine meters are in use, the maintenance records will be made available to the department upon request.

(2) All records, statements, and other instruments furnished to a producer by any person to whom the producer delivers for sale, transport or other delivery of any natural gas.

(3) Records, statements and other instruments as the department may prescribe by regulation.

### **PART II IMPACT FEE**

#### Section 1121-E. Definitions.

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

"Commission." The Pennsylvania Public Utility Commission.

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

"Fund." The Unconventional Gas Well Fund.

"Highway mileage." The number of miles of public roads and streets most recently certified by the Department of Transportation as

eligible for distribution of liquid fuels funds under the act of June 1, 1956 (1955 P.L. 1944, No. 655), referred to as the Liquid Fuels Tax Municipal Allocation Law.

"Municipality." A borough, city, town or township.

"Number of spud unconventional gas wells." The most recent numerical count of spud unconventional gas wells on the inventory maintained and provided to the commission by the Department of Environmental Protection as of the last day of each month.

"Population." As follows:

(1) Population of this Commonwealth and population of a county shall be determined using the United States Census Bureau's most recently released Annual Estimates of the Resident Population for Counties of Pennsylvania.

(2) Population of a municipality shall be determined using the United States Census Bureau's most recently released Annual Estimates for the Resident Population for Incorporated Places in Pennsylvania.

(3) Population of municipalities not included in the report referenced under paragraph (2) shall be determined using the United States Census Bureau's most recently released Annual Estimates of the Resident Population for Minor Civil Divisions in Pennsylvania.

"Spud." The actual start of drilling an unconventional gas well.

"Unconventional gas well." A bore hole drilled or being drilled for the purpose of or to be used for the production of natural gas from an unconventional formation.

Section 1122-E. Powers of commission.

The commission may make inquiries and determinations necessary to make distributions under this part.

Section 1123-E. Well information.

(a) List of wells.—The Department of Environmental Protection shall provide the commission and, upon request, a county with a list of all spud unconventional gas wells for which the department has issued permits. The Department of Environmental Protection shall update the list and provide it to the commission on a monthly basis.

(b) Notification to commission.—A producer shall notify the commission of the following within 30 days after a calendar month in which the change occurs:

(1) The spudding of an unconventional gas well.

(2) The initiation of production at an unconventional gas well.

(3) The removal of an unconventional gas well from production.

(c) Notification to department.—The commission shall notify the department each month of the information collected under subsection (b).

Section 1124-E. Unconventional Gas Well Fund.

The Unconventional Gas Well Fund established in the State Treasury by 58 Pa.C.S. § 2314 (relating to distribution of fee) shall continue and shall be administered by the commission.

Section 1125-E. Appropriation and distribution to conservation districts and State agencies.

(a) Transfer.—From revenue collected under this article for each calendar year, the department shall transfer to the fund, to the extent available, the following amounts which are appropriated and shall be distributed by the commission in the following order of priority:

(1) To county conservation districts, \$8,000,000 as follows:

(i) The amount of \$4,000,000 shall be distributed by dividing the amount equally among conservation districts for uses consistent with the act of May 15, 1945 (P.L. 547, No. 217), known as the Conservation District Law.

(ii) The amount of \$4,000,000 shall be distributed by the State Conservation Commission in a manner consistent with the Conservation District Law and the provisions of 25 Pa. Code Ch. 83 Subch. B (relating to Conservation District Fund Allocation

Program-Statement of Policy).

(2) To the Pennsylvania Fish and Boat Commission, \$1,200,000 for costs relating to the review of applications for permits to drill unconventional gas wells.

(3) To the Department of Environmental Protection, \$6,200,000 for the administration of this article and the enforcement of acts relating to clean air and clean water.

(4) To the Pennsylvania Emergency Management Agency, \$950,000 for emergency response planning, training and coordination related to natural gas production from unconventional gas wells.

(5) To the Office of the State Fire Commissioner, \$950,000 for the development, delivery and sustainment of training and grant programs for first responders and the acquisition of specialized equipment for response to emergencies relating to natural gas production from unconventional gas wells.

(6) To the Department of Transportation, \$2,000,000 for rail freight assistance.

(7) To the commission, \$1,200,000 for costs associated with implementing this chapter.

(b) Report.—An agency or organization that receives money under this section shall, by October 31, 2016, and October 31 of each year thereafter, submit to the Secretary of the Budget and the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives a report itemizing and explaining the use of the money.

(c) Distribution.—Distribution of funds under this section shall be contingent on availability of funds. If sufficient funds are not available, the commission shall disburse funds on a pro rata basis.

Section 1126-E. Appropriation and distribution to counties and municipalities.

(a) Transfer.—Beginning June 30, 2017, after the transfer of the amount under section 1125-E from revenue collected under this article for each calendar year, the department shall transfer to the fund, to the extent available, \$123,151,000, which amount is appropriated to counties and municipalities for purposes authorized under subsection (d). Counties and municipalities, where appropriate, may jointly fund projects that cross jurisdictional lines. The commission shall distribute the funds appropriated in this subsection as follows by July 1, 2016, and each July 1 thereafter:

(1) Thirty-six percent shall be distributed to counties in which a spud unconventional gas well is located. The amount distributed to each county shall be determined under the following formula:

(i) Divide:

(A) the number of spud unconventional gas wells in the county; by

(B) the number of spud unconventional gas wells in this Commonwealth.

(ii) Multiply:

(A) the quotient under subparagraph (i); by

(B) the amount available for distribution under paragraph (3).

(2) Thirty-seven percent shall be distributed to municipalities in which a spud unconventional gas well is located. The amount distributed to each municipality shall be determined under the following formula:

(i) Divide:

(A) the number of spud unconventional gas wells in the municipality; by

(B) the number of spud unconventional gas wells in this Commonwealth.

(ii) Multiply:

(A) the quotient under subparagraph (i)

by

(B) the amount available for distribution under this paragraph.

(3) Twenty-seven percent shall be distributed to municipalities located in a county in which a spud unconventional gas well is located. The amount distributed to each municipality shall be made as follows:

(i) Divide:

(A) the number of spud unconventional gas wells in the county; by

(B) the number of spud unconventional gas wells in this Commonwealth.

(ii) Multiply:

(A) the quotient under subparagraph (i); by

(B) the amount available for distribution under this paragraph.

(iii) Fifty percent of the product under subparagraph (ii) shall be distributed to each municipality in which a spud unconventional gas well is located, that is contiguous with a municipality in which a spud unconventional gas well is located or that is located within five linear miles of a spud unconventional gas well. The distribution shall be made as follows:

(A) Fifty percent of the amount available under this subparagraph to each municipality under the following formula:

(I) Divide:

(a) the population of the eligible municipality within the county; by

(b) the total population of the eligible municipalities within the county.

(II) Multiply:

(a) the quotient under subclause (I); by

(b) the amount allocated to the county under this subparagraph.

(B) Fifty percent of the amount available under this subparagraph shall be distributed to each municipality under the following formula:

(I) Divide:

(a) the highway mileage of the eligible municipality within the county; by

(b) the total highway mileage of the eligible municipalities within the county.

(II) Multiply:

(a) the quotient under subclause (I); by

(b) the amount allocated to the county under this subparagraph.

(iv) Fifty percent of the product under subparagraph (ii) shall be distributed to each municipality in the county regardless of whether an unconventional gas well is located in the municipality. The distribution shall be made as follows:

(A) Fifty percent of the amount available under this subparagraph shall be distributed to each municipality under the following formula:

(I) Divide:

(a) the population of the municipality within the county; by

(b) the total population of the county.

(II) Multiply:

(a) the quotient under subclause (I); by

(b) the amount allocated to the county under this paragraph.

(B) Fifty percent of the amount available under this subparagraph shall be distributed to each municipality under the following formula:

(I) Divide:

(a) the highway mileage of the municipality within the county; by

(b) the total highway mileage of the county.

(II) Multiply:

(a) the quotient under subclause (I); by

(b) the amount allocated to the county under this subparagraph.

(b) Restriction.—The following shall apply:

(1) The amount allocated to each municipality under subsection (a) may not exceed the greater of \$500,000 or 50% of the total budget for the prior fiscal year beginning with the 2010 budget year and continuing every year thereafter, adjusted to reflect any upward changes in the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area in the preceding 12 months. The remaining money after allocation under subsection (a) shall be retained by the commission and transferred to the Commonwealth Financing Authority.

(2) The remaining funds under paragraph (1) shall be used for grants to schools, hospitals and small businesses to obtain access to natural gas:

(i) The Commonwealth Financing Authority shall give priority to applications that will result in adjoining residential and nonresidential properties obtaining natural gas.

(ii) Grants may provide for up to 50% of the cost of the project.

(c) Use of funds.—A county or municipality receiving funds under subsection (a) shall use the funds received only for the following purposes associated with natural gas production from unconventional gas wells within the county or municipality and in a manner consistent with the provisions of 58 Pa.C.S. Ch. 33 (relating to local ordinances relating to oil and gas operations):

(1) Construction, reconstruction, maintenance and repair of roadways, bridges and public infrastructure.

(2) Water, storm water and sewer systems including construction, reconstruction, maintenance and repair.

(3) Emergency preparedness and public safety, including law enforcement and fire services, hazardous material response, 911 service operations, equipment acquisition and other services.

(4) Environmental programs, including trails, parks and recreation, open space, flood plain management, conservation districts and agricultural preservation.

(5) Preservation and reclamation of surface and subsurface waters and water supplies.

(6) Tax reductions, including homestead exclusions.

(7) Projects to increase the availability of safe and affordable housing to residents.

(8) Records management systems and personnel in the office of recorder of deeds, geographic information systems and information technology.

(9) The delivery of social services.

(10) Judicial services.

(11) For deposit into the county or municipality's capital



reserve fund if the funds are used solely for a purpose under this subsection.

(12) Career and technical centers for training of workers in the oil and gas industry.

(13) Local or regional planning initiatives under the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code.

(14) Grants to residential property owners, schools, hospitals and small businesses to obtain access to natural gas.

(d) Prohibition.—Funds distributed under subsection (a) may not be used for the purpose of litigation.

(e) Availability of funds.—Distribution of funds under this section shall be contingent on availability of funds. If sufficient funds are not available, the commission shall disburse funds on a pro rata basis.

Section 1127-E. Housing affordability and rehabilitation enhancement fund.

(a) Transfer to Housing Affordability and Rehabilitation Fund.—After the transfer of the amount under section 1125-E and section 1126-E, from revenue collected under this article for each calendar year, the department shall transfer \$9,647,000 to the Housing Affordability and Rehabilitation Enhancement Fund.

(b) Purposes.—Funds under subsection (a) shall be used for the following purposes:

(1) To provide support to projects in a county in which producing unconventional gas wells are located that increase availability of quality, safe, affordable housing for low-income and moderate-income individuals or families, persons with disabilities or elderly persons.

(2) To provide rental assistance in a county in which producing unconventional gas wells are located to persons or families whose household income does not exceed the area median income.

(c) Amount.—No less than 50% of the funds available under this section may be used in fifth, sixth, seventh and eighth class counties.

Section 1128-E. Projects of Statewide significance.

(a) Distribution.—After the transfer of the amount under sections 1125-E, 1126-E and 1127-E from revenue collected under this article for each calendar year, the department shall transfer, to the extent available, \$82,101,000 to the fund, which amount is appropriated and shall be distributed by the commission by July 1, as follows:

(1) To the Commonwealth Financing Authority, \$16,500,000 for grants to eligible applicants for the following:

(i) Acid mines, including damage, abatement and cleanup and mine reclamation, with priority given to projects that recycle and treat water for use in drilling operations.

(ii) Orphan or abandoned oil and gas well plugging.

(iii) Complying with the act of January 24, 1966 (1965 P.L.1535, No.537), known as the Pennsylvania Sewage Facilities Act.

(iv) Planning acquisition, development, rehabilitation and repair of green ways, recreational trails, open space, parks and beautification projects.

(v) Programs to establish baseline water quality data on private water supplies.

(vi) Watershed programs and related projects.

(vii) Flood control projects. Up to 25% of the funds distributed to the Commonwealth Financing Authority under this paragraph may be utilized for projects under this subparagraph.

(2) To the Environmental Stewardship Fund, \$8,210,080.

(3) To the Highway Bridge Improvement Restricted Account within the Motor License Fund, \$20,525,200 to counties to be distributed to fund the cost of the replacement or repair of locally owned at-risk deteriorated bridges. Funds shall be

distributed to counties proportionately based on the population of the county as follows:

(i) In each county, the distribution shall be according to the following formula:

(A) Divide:

(I) the total population of the county; by

(II) the total population of this Commonwealth;

(B) express the quotient under clause

(A) as a percentage.

(C) Multiply:

(I) the percentage under clause

(B); by

(II) the amount of money to be distributed under this paragraph.

(ii) Each county shall receive a minimum of \$40,000, to the extent funds are available.

(iii) The Department of Transportation shall release money under this paragraph upon approval of a plan submitted by a county or municipality to repair an at-risk deteriorated bridge. The plan must include funding for replacement or repair.

(iv) A county of the first or second class may submit a plan to use the county's funds under this paragraph for at-risk deteriorated bridges owned by a public transportation authority.

(4) For water and sewer projects, \$22,000,000. The following shall apply:

(i) Fifty percent of the amount distributed under this paragraph shall be transferred to the Pennsylvania Infrastructure Investment Authority to be used in accordance with the act of March 1, 1988 (P.L.82, No.16), known as the Pennsylvania Infrastructure Investment Authority Act.

(ii) Fifty percent of the amount distributed under this paragraph shall be transferred to the H2O PA program to be used by the Commonwealth Financing Authority in accordance with section 301 of the act of July 9, 2008 (P.L.908, No.63), known as the H2O PA Act. The prohibition on grants for projects located in a city or county of the first or second class under section 301 of the H2O PA Act shall not apply to funds distributed to the H2O PA program under this subparagraph.

(5) For the planning, acquisition, development, rehabilitation and repair of green ways, recreational trails, open space, natural areas, community conservation and beautification projects, community and heritage parks and water resource management, \$12,500,000. Funds may be used to acquire lands for recreational or conservation purposes and land damaged or prone to drainage by storms or flooding. Funds shall be distributed to counties proportionately based on the population of the county as follows:

(i) In each county, the distribution shall be according to the following formula:

(A) Divide:

(I) the total population of the county; by

(II) the total population of this Commonwealth.

(B) Express the quotient under clause

(A) as a percentage.

(C) Multiply:

(I) the percentage under clause

(B); by

(II) the amount of funds available under this paragraph.

(ii) Each county shall receive a minimum of \$25,000 to the extent funds are available.

(b) Availability of funds.—Distribution of funds under this section shall be contingent on availability of funds. If sufficient funds are not available, the commission shall disburse funds on a pro rata basis.

(c) Restriction on use of proceeds.—

(1) Funds distributed under subsection (a) may not be used for the purpose of public relations, outreach not directly related to project implementation, communications, lobbying or litigation.

(2) Funds distributed under subsection (a) may not be used by an authorized organization as defined in 27 Pa.C.S. § 6103 (relating to definitions) for land acquisition unless the authorized organization has obtained the written consent of the county and municipality in which the land is situated.

(d) Coordination.—The Department of Environmental Protection and the Department of Conservation and Natural Resources shall review each application for funding as requested by the Commonwealth Financing Authority and provide recommendations on priority of projects and project approval.

(e) Remaining funds.—Any funds remaining after the transfers under this section shall be transferred to the Hazardous Sites Cleanup Fund.

Section 1129-E. Projects of Statewide importance.

(a) Transfer.—After the transfer of the amounts under sections 1125-E, 1126-E, 1127-E and 1128-E from revenue collected under this article for each calendar year, the department shall transfer the following amounts, to the extent available, to be distributed as follows:

(1) The sum of \$10,000,000 to the Department of Environmental Protection, with \$5,000,000 going to the well plugging account and the remainder to supplement the operations under section 1901-A of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.

(2) In fiscal year beginning July 1, 2016, an amount up to \$15,000,000 shall be transferred to the Department of Community and Economic Development to support an economic growth program.

(3) In fiscal year beginning July 1, 2017, an amount up to \$30,000,000 shall be transferred to the Department of Community and Economic Development to support an economic growth period.

(4) In fiscal year beginning July 1, 2018, and each fiscal year thereafter, an amount up to \$55,000,000 shall be transferred to the Department of Community and Economic Development to support an economic growth program.

(b) Account.—There is hereby established the Economic Development Restricted Account in the General Fund. Money transferred under subsection (a)(2), (3) and (4) shall be deposited into the Economic Development Restricted Account and appropriated for the purposes of subsection (a)(2), (3) and (4).

#### ARTICLE XII-A

#### TOBACCO PRODUCTS TAX

Section 1201-A. Definitions.

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

"Cigar." Any roll of tobacco wrapped in tobacco.

"Cigarette." As defined in section 1201.

"Consumer." An individual who purchases tobacco products for personal use and not for resale.

"Contraband." Any tobacco product for which the tax imposed by this article has not been paid.

"Dealer." A wholesaler or retailer. Nothing in this article shall preclude any person from being a wholesaler or retailer, provided the person meets the requirements for a license in each category of dealer.

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

"Electronic cigarettes." As follows:

(1) An electronic oral device, such as one composed of a heating element and battery or electronic circuit, or both, which provides a vapor of nicotine or any other substance and the use or inhalation of which simulates smoking.

(2) The term includes:

(i) A device as described in paragraph (1), notwithstanding whether the device is manufactured, distributed, marketed or sold as an e-cigarette, e-cigar and e-pipe or under any other product, name or description.

(ii) A liquid or substance placed in an electronic cigarette.

"Manufacturer." A person that produces tobacco products.

"Person." An individual, unincorporated association, company, corporation, joint stock company, group, agency, syndicate, trust or trustee, receiver, fiduciary, partnership, conservator, any political subdivision of the Commonwealth or any other state. If used in any of the provisions of this article prescribing or imposing penalties, the term "person" as applied to a partnership, unincorporated association or other joint venture, shall mean the partners or members of the partnership, unincorporated association or other joint venture, and as applied to a corporation, shall mean each officer and director of the corporation.

"Purchase price." The total value of anything paid or delivered, or promised to be paid or delivered, money or otherwise, in complete performance of a sale or purchase, 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 or any other expense.

"Retailer." A person that purchases or receives tobacco products from any source for the purpose of sale to a consumer, or who owns, leases or otherwise operates one or more vending machines for the purpose of sale of tobacco products to the ultimate consumer. The term includes a vending machine operator or a person that buys, sells, transfers or deals in tobacco products and is not licensed as a tobacco products wholesaler under this article.

"Roll-your-own tobacco." Any tobacco which, because of the tobacco's appearance, type, packaging or labeling, is suitable for use and is likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.

"Sale." Any transfer of ownership, custody or possession of tobacco products for consideration; any exchange, barter or gift; or any offer to sell or transfer the ownership, custody or possession of tobacco products for consideration.

"Taxpayer." Any person subject to tax under this article.

"Tobacco products." Cigars, cigarillos, cheroots, stogies, periques, granulated, plug cut, crimp cut, ready rubbed and other smoking tobacco, roll-your-own tobacco, snuff, dry snuff, snuff flour, cavendish, plug and twist tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or ingesting or for smoking in a pipe or otherwise, or both for chewing and smoking, including e-cigarettes. The term does not include any item subject to the tax under section 1202.

"Unclassified importer." A person in this Commonwealth that acquires a tobacco product from any source on which the tax imposed by this article was not paid and that is not a person otherwise required to be licensed under the provisions of this article. The term includes, but is not limited to, consumers who purchase tobacco products using the Internet or mail order catalogs for personal possession or use in this Commonwealth.

"Vending machine operator." A person who places or services one or more tobacco product vending machines whether owned, leased or otherwise operated by the person at locations from which tobacco products are sold to the consumer. The owner or tenant of the premises

upon which a vending machine is placed shall not be considered a vending machine operator if the owner's or tenant's sole remuneration therefrom is a flat rental fee or commission based upon the number or value of tobacco products sold from the machine, unless the owner or tenant actually owns the vending machine or leases the vending machine under an agreement whereby any profits from the sale of the tobacco products directly inure to the owner's or tenant's benefit.

"Wholesaler." A person engaged in the business of selling tobacco products that receives, stores, sells, exchanges or distributes tobacco products to retailers or other wholesalers in this Commonwealth or retailers who purchase from a manufacturer or from another wholesaler who has not paid the tax imposed by this article.  
Section 1202-A. Incidence and rate of tax.

(a) Imposition.—A tobacco products tax is hereby imposed on the dealer, manufacturer or any person at the time the tobacco product is first sold to a retailer in this Commonwealth at the rate of 40% on the purchase price charged to the retailer for the purchase of any tobacco product. The tax shall be collected from the retailer by whomever sells the tobacco product to the retailer and remitted to the department. Any person required to collect this tax shall separately state the amount of tax on an invoice or other sales document.

(b) Retailer.—If the tax is not collected by the seller from the retailer, the tax is imposed on the retailer at the time of purchase at the same rate as in subsection (a) based on the retailer's purchase price of the tobacco products. The retailer shall remit the tax to the department.

(c) Unclassified importer.—The tax is imposed on an unclassified importer at the time of purchase at the same rate as in subsection (a) based on the unclassified importer's purchase price of the tobacco products. The unclassified importer shall remit the tax to the department.

(d) Exceptions.—The tax shall not be imposed on any tobacco products that:

- (1) are exported for sale outside this Commonwealth; or
- (2) are not subject to taxation by the Commonwealth pursuant to any laws of the United States.

Section 1203-A. Floor tax.

(a) Payment.—Any retailer that, as of the effective date of this article, possesses tobacco products subject to the tax imposed by section 1202-A, shall pay the tax on the tobacco products in accordance with the rates specified in section 1202-A. The tax shall be paid and reported on a form prescribed by the department within 90 days of the effective date of this section.

(b) Administrative penalty; license.—If a retailer fails to file the report required by subsection (a) or fails to pay the tax imposed by subsection (a), the department may, in addition to the interest and penalties provided in section 1215-A, do any of the following:

- (1) Impose an administrative penalty equal to the amount of tax evaded or not paid. The penalty shall be added to the tax evaded or not paid and assessed and collected at the same time and in the same manner as the tax.
- (2) Suspend, revoke or refuse to issue the retailer's license.

(c) Criminal penalty.—In addition to any penalty imposed under subsection (b), a person that willfully omits, neglects or refuses to comply with a duty imposed under subsection (a) commits a misdemeanor and shall, if convicted, be sentenced to pay a fine of not less than \$2,500 nor more than \$5,000, to serve a term of imprisonment not to exceed 30 days, or both.

Section 1204-A. Remittance of tax to department.

Wholesalers, retailers, unclassified importers and manufacturers shall file monthly reports on a form prescribed by the department by the 20th day of the month following the sale or purchase of tobacco products from any other source on which the tax levied by this article has not been paid. The tax is due at the time the report is due. The department may require the filing of reports and payment of tax on a less frequent basis at its discretion.

Section 1205-A. (Reserved).

Section 1206-A. Procedures for claiming refund.

A claim for a refund of tax imposed by this article under section 3003.1 and Article XXVII shall be in the form and contain the information prescribed by the department by regulation.  
Section 1207-A. Sales or possession of tobacco product when tax not paid.

(a) Sales or possession.—Any person who sells or possesses any tobacco product for which the proper tax has not been paid commits a summary offense and shall, upon conviction, be sentenced to pay costs of prosecution and a fine of not less than \$100 not more than \$1,000 or to imprisonment for not more than 60 days, or both, at the discretion of the court. Any tobacco products purchased from a wholesaler properly licensed under this article shall be presumed to have the proper taxes paid.

(b) Tax evasion.—Any person that shall falsely or fraudulently, maliciously, intentionally or willfully with intent to evade the payment of the tax imposed by this article sells or possesses any tobacco product for which the proper tax has not been paid commits a felony and shall, upon conviction, be sentenced to pay costs of prosecution and a fine of not more than \$15,000 or to imprisonment for not more than five years, or both, at the discretion of the court.

Section 1208-A. Assessment.

The department is authorized to make the inquiries, determinations and assessments of the tax, including interest, additions and penalties, imposed by this article.

Section 1209-A. (Reserved).

Section 1210-A. (Reserved).

Section 1211-A. Failure to file return.

Where no return is filed, the amount of the tax due may be assessed and collected at any time as to taxable transactions not reported.

Section 1212-A. False or fraudulent return.

Where the taxpayer willfully files a false or fraudulent return with intent to evade the tax imposed by this article, the amount of tax due may be assessed and collected at any time.

Section 1213-A. Extension of limitation period.

Notwithstanding any other provision of this article, where, before the expiration of the period prescribed for the assessment of a tax, a taxpayer has consented, in writing, that the period be extended, the amount of tax due may be assessed at any time within the extended period. The period so extended may be extended further by subsequent consents, in writing, made before the expiration of the extended period.  
Section 1214-A. Failure to furnish information, returning false information or failure to permit inspection.

(a) Penalty.—Any taxpayer who fails to keep or make any record, return, report, inventory or statement, or keeps or makes any false or fraudulent record, return, report, inventory or statement required by this article commits a misdemeanor and shall, upon conviction, be sentenced to pay costs of prosecution and a fine of \$500 and to imprisonment for not more than one year, or both, at the discretion of the court.

(b) Examination.—The department is authorized to examine the books and records, the stock of tobacco products and the premises and equipment of any taxpayer in order to verify the accuracy of the payment of the tax imposed by this article. The person subject to an examination shall give to the department or its duly authorized representative, the means, facilities and opportunity for the examination. Willful refusal to cooperate with or permit an examination to the satisfaction of the department shall be sufficient grounds for the suspension or revocation of a taxpayer's license. In addition, a person who willfully refuses to cooperate with or permit an examination to the satisfaction of the department commits a misdemeanor and shall, upon conviction, be sentenced to pay costs of prosecution and a fine of \$500 or to imprisonment for not more than one year, or both, at the discretion of the court.

(c) Records; dealer or manufacturer.—A dealer or manufacturer shall keep and maintain for a period of four years records in the form prescribed by the department. The records shall be maintained at the location for which the license is issued.

(d) Reports.—A dealer or manufacturer shall file reports at times and in the form prescribed by the department.

(e) Records; manufacturer or wholesaler.—A manufacturer or wholesaler located or doing business in this Commonwealth who sells tobacco products to a wholesale license holder in this Commonwealth shall keep records showing:

- (1) The number and kind of tobacco products sold.
- (2) The date the tobacco products were sold.
- (3) The name and license number of the dealer the tobacco products were sold to.
- (4) The total weight of each of the tobacco products sold to the license holder.
- (5) The place where the tobacco products were shipped.
- (6) The name of the common carrier.

(f) Manufacturer or wholesaler.—A manufacturer or wholesaler shall file with the department, on or before the 20th of each month, a report showing the information listed in subsection (e) for the previous month.

Section 1215-A. Other violations; peace officers; fines.

Sections 1278, 1279, 1280 and 1291 are incorporated by reference into and shall apply to the tax imposed by this article.

Section 1216-A. Sales reporting.

For purposes of reporting sales of roll-your-own tobacco under the act of June 22, 2000 (P.L.394, No.54), known as the Tobacco Settlement Agreement Act, 0.09 ounces of tobacco shall constitute one individual unit sold.

Section 1217-A. (Reserved).

Section 1218-A. (Reserved).

Section 1219-A. Records of shipments and receipts of tobacco products required.

The department may, in its discretion, require reports from any common or contract carrier who transports tobacco products to any point or points within this Commonwealth, and from any bonded warehouseman or bailee who has in the possession of the warehouseman or bailee any tobacco products. The reports shall contain the information concerning shipments of tobacco products that the department determines to be necessary for the administration of this article. All common and contract carriers, bailees and warehousemen shall permit the examination by the department or its authorized agents of any records relating to the shipment or receipt of tobacco products.

Section 1220-A. Licensing of dealers and manufacturers.

(a) Prohibition.—No person, unless all sales of tobacco products are exempt from Pennsylvania tobacco products tax, shall sell, transfer or deliver any tobacco products in this Commonwealth without first obtaining the proper license provided for in this article.

(b) Application.—An applicant for a dealer's or manufacturer's license shall complete and file an application with the department. The application shall be in the form and contain information prescribed by the department and shall set forth truthfully and accurately the information desired by the department. If the application is approved, the department shall license the dealer or manufacturer for a period of one year and the license may be renewed annually thereafter.

Section 1221-A. Licensing of manufacturers.

Any manufacturer doing business within this Commonwealth shall first obtain a license to sell tobacco products by submitting an application to the department containing the information requested by the department and designating a process agent. If a manufacturer designates no process agent, the manufacturer shall be deemed to have made the Secretary of State its agent for the service of process in this Commonwealth.

Section 1222-A. Licensing of wholesalers.

(a) Requirements.—Applicants for a wholesale license or renewal of that license shall meet the following requirements:

- (1) The premises on which the applicant proposes to conduct business are adequate to protect the revenue.
- (2) The applicant is a person of reasonable financial stability and reasonable business experience.
- (3) The applicant, or any shareholder controlling more

than 10% of the stock if the applicant is a corporation or any officer or director if the applicant is a corporation, shall not have been convicted of any crime involving moral turpitude.

(4) The applicant shall not have failed to disclose any material information required by the department, including information that the applicant has complied with this article by providing a signed statement under penalty of perjury.

(5) The applicant shall not have made any material false statement in the application.

(6) The applicant shall not have violated any provision of this article.

(7) The applicant shall have filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan.

(b) Multiple locations.—The wholesale license shall be valid for one specific location only. Wholesalers with more than one location shall obtain a license for each location.

Section 1223-A. Licensing of retailers.

Applicants for retail license or renewal of that license shall meet the following requirements:

(1) The premises in which the applicant proposes to conduct business are adequate to protect the revenues.

(2) The applicant shall not have failed to disclose any material information required by the department.

(3) The applicant shall not have any material false statement in the application.

(4) The applicant shall not have violated any provision of this article.

(5) The applicant shall have filed all required State tax reports and paid any State taxes not subject to a timely perfected administrative or judicial appeal or subject to a duly authorized deferred payment plan.

Section 1224-A. License for tobacco products vending machines.

Each tobacco products vending machine shall have a current retail license which shall be conspicuously and visibly placed on the machine. There shall be conspicuously and visibly placed on every tobacco products vending machine the name and address of the owner and the name and address of the operator.

Section 1225-A. License fees and issuance and display of license.

(a) At the time of making any application or license renewal application:

(1) An applicant for a tobacco products manufacturers license shall pay the department a license fee of \$1,500.

(2) An applicant for a wholesale tobacco products dealer's license shall pay to the department a license fee of \$1,500.

(3) An applicant for a retail tobacco products dealer's license shall pay to the department a license fee of \$25.

(4) An applicant for a vending machine tobacco products dealer's license shall pay to the department a license fee of \$25.

(b) Proration.—Fees shall not be prorated.

(c) Issuance and display.—On approval of the application and payment of the fees, the department shall issue the proper license which must be conspicuously displayed at the location for which it has been issued.

Section 1226-A. Electronic filing.

The department may at its discretion require that any or all returns, reports or registrations that are required to be filed under this article be filed electronically. Failure to electronically file any return, report, registration or other information the department may direct to be filed electronically shall subject the taxpayer to a penalty of 5% of the tax due on the return, up to a maximum of \$1,000, but not less than \$10. This penalty shall be assessed at any time and collected in the manner provided in this article. This penalty shall be in addition to any civil penalty imposed in this article for failure to furnish information or file a return. The criminal penalty for failure to file a return electronically shall be the same as the criminal penalty for failure to



furnish information or file a return under this article.

Section 1227-A. Expiration of license.

(a) Expiration.—A license shall expire on the last day of June next succeeding the date upon which it was issued unless the department at an earlier date suspends, surrenders or revokes the license.

(b) Violation.—After the expiration date of the license or sooner if the license is suspended, surrendered or revoked, it shall be illegal for any dealer to engage directly or indirectly in the business heretofore conducted by the dealer for which the license was issued. Any licensee who shall, after the expiration date of the license, engage in the business theretofore conducted by the licensee either by way of purchase, sale, distribution or in any other manner directly or indirectly engaged in the business of dealing with tobacco products for profit shall be in violation of this article and be subject to the penalties provided in this article.

Section 1228-A. Administration powers and duties.

(a) Department.—The administration of this article is hereby vested in the department. The department shall adopt rules and regulations for the enforcement of this article. The department may impose fees as may be necessary to cover the costs incurred in administering this section.

(b) Joint administration.—The department is authorized to jointly administer this article with other provisions of this act, including joint reporting of information, forms, returns, statements, documents or other information submitted to the department.

Section 1229-A. Sales without license.

(a) Penalty.—Any person who shall, without being the holder of a proper unexpired dealer's license, engage in purchasing, selling, distributing or in any other manner directly or indirectly engaging in the business of dealing with tobacco products for profit commits a summary offense and shall, upon conviction, be sentenced to pay costs of prosecution and a fine of not less than \$250 nor more than \$1,000, or to imprisonment for not more than 30 days, or both, at the discretion of the court.

(b) Prima facie evidence.—Open display of tobacco products in any manner shall be prima facie evidence that the person displaying such tobacco products is directly or indirectly engaging in the business of dealing with tobacco products for profit.

Section 1230-A. Violations and penalties.

(a) Suspension.—The license of any person who violates this article may be suspended after due notice and opportunity for a hearing for a period of not less than five days or more than 30 days for a first violation and shall be revoked or suspended for any subsequent violation.

(b) Fine.—In addition to the provisions of subsection (a), upon adjudication of a first violation, the person shall be fined not less than \$2,500 nor more than \$5,000. For subsequent violations, the person shall, upon adjudication thereof, be fined not less than \$5,000 nor more than \$15,000.

(c) Civil penalty.—A person who violates section 1214-A (b), (c), or (d), or 1225-A(c), shall be subject to a civil penalty not to exceed \$300 per violation but shall not be subject to subsections (a) and (b).

Section 1231-A. Property rights.

(a) Incorporation.—Subject to subsection (b), section 1285 is incorporated by reference into and shall apply to this article.

(b) Alterations.—

(1) References in section 1285 to cigarettes shall apply to tobacco products in this article.

(2) References in section 1285 to 2,000 or more unstamped cigarettes shall apply to tobacco products worth at least \$500 in this article.

(3) References in section 1285 to more than 200 unstamped cigarettes shall apply to tobacco products worth at least \$50 in this article.

Section 1232-A. Sample of tobacco products.

(a) Samples.—The department shall, by regulation, govern the receipt, distribution of and payment of tax on sample tobacco products

issued for free distribution.

(b) Construction.—Nothing in this article or the regulations promulgated under this article shall prohibit the bringing into this Commonwealth by a manufacturer samples of tobacco products to be delivered and distributed only through licensed dealers or the manufacturers or their sales representatives. The tax shall be paid by the manufacturer provided all such packs bear the legend "all applicable State taxes have been paid." Under no circumstances shall any untaxed tobacco products be sold within this Commonwealth.

Section 1233-A. Labeling and packaging.

It shall be unlawful to knowingly possess, sell, give, transfer or deliver to any person, any tobacco product where the packaging of which has been modified or altered by a person other than the original manufacturer. Modification or alteration shall include the placement of a sticker, writing or mark to cover information on the packages. For purposes of this section, a tobacco product package shall not be construed to have been modified or altered by a person other than the manufacturer if the most recent modification or alteration was made by the manufacturer or person authorized by the manufacturer and approved by the department.

Section 1234-A. Information exchange.

The department is authorized to exchange information with any other Federal, State or local enforcement agency for purposes of enforcing this article.

ARTICLE XVI

SCHOOL DISTRICT TAX RELIEF

SUBARTICLE A

PRELIMINARY PROVISIONS

Section 1601. Scope.

This article relates to school district tax relief.

Section 1602. Definitions.

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

"Allocation minimum." A numerical value of 0.2.

"Average daily membership." As defined in section 2501(3) of the Public School Code.

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

"Earned income." As defined in section 501 of The Local Tax Enabling Act.

"Equalized millage." As defined in section 2501(9.2) of the Public School Code.

"Estimated local revenue calculation." The compensation and net profits component of the 2012 personal income valuation certified by the Secretary of Revenue as in section 2501(9.1) of the Public School Code, multiplied by 0.1%.

"Farmstead." As defined in 53 Pa.C.S. § 8582 (relating to definitions).

"Farmstead property." As defined in 53 Pa.C.S. § 8582.

"Fund." The Property Tax Relief Fund established under 4 Pa.C.S. § 1409 (relating to Property Tax Relief Fund).

"Homestead." As defined in 53 Pa.C.S. § 8401 (relating to definitions).

"Homestead property." As defined in 53 Pa.C.S. § 8401.

"Local tax revenue." The revenue from taxes actually levied and assessed by a school district, including delinquent taxes. The term does not include interest or dividend earnings, Federal or State grants, contracts or appropriations, income generated from operations or any other source which is not derived from taxes levied and assessed by a school district.

"Market value/income aid ratio." As defined in section 2501(14.1) of the Public School Code.

"Net profits." As defined in section 501 of The Local Tax Enabling Act.

"Personal income." Income enumerated in section 303, as determined by the Department of Revenue, subject to any correction thereof for fraud, evasion or error as finally determined by the

Commonwealth.

"Personal income valuation." As defined in section 2501(9.1) of the Public School Code.

"Property tax reduction index." A quotient equal to the sum of the numerical rank of a school district's personal income valuation per average daily membership, the numerical rank of its market value/income aid ratio, the numerical rank of its equalized millage and the numerical rank of its school tax ratio, divided by 1,000.

"Public School Code." The act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

"Residential property tax." The dollar value of real property taxes paid by residential property owners in a school district, determined by multiplying the real property taxes collected by the school district by the percentage of the total property value in the school district classified as residential by the State Tax Equalization Board and including any property tax reduction allocation under Chapter 5 of the Taxpayer Relief Act.

"Secretary." The Secretary of the Budget.

"School district." A school district of the first class, first class A, second class, third class or fourth class.

"School tax ratio." The dollar value of local taxes collected by the school district or by a city of the first class for a school district of the first class divided by the personal income valuation of the school district.

"Taxpayer Relief Act." The act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

"The Local Tax Enabling Act." The act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act.

SUBARTICLE BSCHOOL PROPERTY TAX REDUCTIONSSection 1611. Distributions to school districts.

(a) General rule.—The Secretary of Education shall make distributions to each school district as provided in this section.

(b) Amount of distributions.—Each school district shall receive allocations calculated by the Department of Education as follows:

(1) Array the 2012 personal income valuation divided by the 2012-2013 average daily membership, the 2014-2015 market value/income aid ratio, the 2012-2013 equalized millage and the 2012-2013 school tax ratio of each school district in rank order and assign each school district a discreet numerical rank for its personal income valuation per average daily membership, its market value/income aid ratio, its equalized millage and its school tax ratio. For the numerical rank of a school district's personal income valuation per average daily membership, the school district with the lowest personal income valuation per average daily membership shall have the highest numerical rank. For the numerical rank of a school district's market value/income aid ratio, the school district with the highest market value/income aid ratio shall have the highest numerical rank, provided that all school districts with a market value/income aid ratio equal to 0.15 shall receive a ranking of 1. For the numerical rank of a school district's equalized millage, the school district with the highest equalized millage shall have the highest numerical rank. For the numerical rank of a school district's school tax ratio, the school district with the highest school tax ratio shall have the highest numerical rank.

(2) Assign each school district a property tax reduction index which shall be the greater of the calculation under this article or the property tax reduction index under the Taxpayer Relief Act.

(3) Calculate the property tax reduction allocation as follows:

(i) Multiply the school district's 2012-2013 average daily membership by the school district's property tax reduction index.

(ii) Multiply the product under subparagraph (i) by the dollar amount necessary to allocate \$3,800,000,000 under this paragraph and paragraphs (4),

(5) and (6).

(iii) If applicable, provide for the allocation minimum under paragraph (4), the amount of taxes credited under paragraph (5) and any reduction required under paragraph (6).

(4) If the sum of the allocation under this subsection and the estimated local revenue calculation is less than the product of the residential property taxes collected during the 2012-2013 fiscal year and the allocation minimum for a school district, the school district shall receive an additional amount so that the sum of the total allocation under paragraph (3) and this paragraph and the estimated local revenue calculation is equal to the product of the residential property taxes collected during the 2012-2013 fiscal year and the allocation minimum.

(5) Each school district shall receive an allocation in the amount of any taxes credited under section 324 of the Taxpayer Relief Act.

(6) A school district may not receive an allocation under this subsection that exceeds the total amount of property tax revenue received by the school district for the 2012-2013 fiscal year, including any property tax reduction allocation under Chapter 5 of the Taxpayer Relief Act.

(c) Certification.—No later than April 15, 2016, and April 15 of each year thereafter, the secretary shall certify that there is projected to be sufficient revenue in the fund for distribution in the following fiscal year and shall notify the Secretary of Education of the amount available for distribution to school districts. The Secretary of Education shall notify each school district of the school district's allocation under this article no later than May 1 of each year. The secretary shall publish notification of the certification in the Pennsylvania Bulletin.

(d) Frequency of distributions.—Distributions to school districts under this section shall be made in October of each year in which a distribution occurs.

(e) Use of proceeds.—Except as provided in section 1691, the following shall apply:

(1) A school district shall use the allocation under subsection (b) to fund exclusions for homestead and farmstead property.

(2) A school district shall utilize an allocation under subsection (b) in excess of the revenue required to fund the maximum homestead and farmstead exclusions authorized under 53 Pa.C.S. § 8586 (relating to limitations) to reduce the property tax rate on all properties subject to the property tax in the school district.

Section 1612. Homestead and farmstead exclusions.

(a) Homestead and farmstead exclusion process.—Each fiscal year in which a school district receives an allocation under section 1611, the district shall calculate a homestead and farmstead exclusion for the purpose of reducing school district property taxes. The school district shall adopt a resolution implementing the homestead and farmstead exclusion no later than the last day of the fiscal year immediately preceding the fiscal year in which the homestead and farmstead exclusions shall take effect.

(b) Tax notice.—A school district shall itemize the homestead and farmstead exclusion on tax bills sent to homestead and farmstead owners indicating the original amount of tax liability, the amount of any reduction in the property tax rate on all properties of the exclusion and the net amount of tax due after the exclusion and any reduction on all properties are applied. The tax bill shall be easily understandable and include a notice under subsection (c).

(c) Notice of property tax relief.—A school district shall include with the homestead or farmstead owner's tax bill a notice that the tax bill includes a homestead or farmstead exclusion. The notice shall at a minimum take the following form:

NOTICE OF PROPERTY TAX RELIEF

Your enclosed tax bill includes a tax reduction for your homestead and/or farmstead property. You have received tax relief through a homestead and/or farmstead

exclusion which has been provided under the School District Tax Relief Act, a law passed by the Pennsylvania General Assembly designed to reduce your property taxes.

If the school district has reduced the property tax rate on all properties subject to the property tax in the school district under section 1611(e)(2):

(1) The notice included with the homestead or farmstead owner's tax bill shall at a minimum take the following form:

NOTICE OF PROPERTY TAX RELIEF

Your enclosed tax bill includes a tax reduction. You have received tax relief through a homestead and/or farmstead exclusion and additional tax relief through a reduction in your property tax rate which have been provided under the School District Tax Relief Act, a law passed by the Pennsylvania General Assembly designed to reduce your property taxes.

(2) A school district shall include with all property tax bills other than those for a homestead or farmstead owner a notice that the tax bill includes a property tax reduction. The notice shall at a minimum take the following form:

NOTICE OF PROPERTY TAX RELIEF

Your enclosed tax bill includes a tax reduction. You have received tax relief through a reduction in your property tax rate which has been provided under the School District Tax Relief Act, a law passed by the Pennsylvania General Assembly designed to reduce your property taxes.

(d) Exception.—In the case of a school district of the first class, section 1691 shall apply.

Section 1613. Additional limits on future property tax increases.

(a) Restrictions.—Notwithstanding section 688(a) of the Public School Code, no school district may approve an increase in real property taxes unless the school district has adopted a budget that includes an estimated ending unassigned fund balance equal to or less than 4% of its total budgeted expenditures.

(b) Continuation of prohibitions.—Section 333 of the Taxpayer Relief Act, as amended, shall remain in effect.

SUBARTICLE C  
RELIEF FOR RENTERS

Section 1621. Definitions.

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

"Claimant." A person who files a claim for supplemental rent rebate relief.

"Homestead." A rented dwelling and as much of the land surrounding the rental dwelling as is reasonably necessary for the use of the dwelling as a home occupied by a claimant. The term includes:

- (1) Premises occupied by reason of a lease in a cooperative housing corporation.
- (2) Mobile homes which are assessed as realty for local property tax purposes and the land, if rented by the claimant, upon which the mobile home is situated and other similar living accommodations.
- (3) A part of a multidwelling or multipurpose building and a part of the land upon which the building is built.
- (4) Premises occupied by reason of the claimant's rental of a dwelling located on land owned by a nonprofit incorporated association, of which the claimant is a member, if the claimant is required to pay a pro rata share of the property taxes levied against the association's land.
- (5) Premises occupied by a claimant if the claimant is required by law to pay a property tax by reason of the claimant's rental, including a possessory interest, in the dwelling, the land or both.

"Household income." Income received by a claimant and each other individual residing in the homestead during the calendar year for which a rebate is claimed.

"Income." As defined in Chapter 13 of the Taxpayer Relief Act.  
"Supplemental rent rebate relief." Amounts actually paid in cash or its equivalent in any calendar year to a landlord in connection with the occupancy of a homestead by a claimant, irrespective of whether the amount constitutes payment solely for the right of occupancy.  
Section 1622. Supplemental rent rebate relief.

(a) Schedule.—The amount of any claim for supplemental rent rebate relief for rent due and payable during calendar year 2015 and each calendar year thereafter shall be determined in accordance with the following:

Household Income

Amount of  
Rent Rebate in  
Lieu of  
Property Taxes  
Allowed as  
Rebate  
\$500

\$0 - \$50,000

(b) Limitations on claims.—

(1) No claim under subsection (a) shall be allowed if the claimant obtains rent rebate in lieu of property tax relief under Chapter 13 of the Taxpayer Relief Act.

(2) No claim under subsection (a) shall be allowed if the claimant is a child who is a dependent for purposes of section 151 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 151).

(3) Only one resident of a homestead occupied by multiple residents may apply for supplemental rent rebate relief under subsection (a). If two or more residents are able to meet the qualification for a claimant, the residents may determine who the claimant shall be and, in the absence of a determination, the department shall determine to whom the rebate is to be paid.

(c) Public assistance.—A claimant who receives public assistance from the Department of Human Services shall not be eligible for supplemental rent rebate relief during a month within which the claimant receives public assistance.

(d) Government subsidy.—Rent may not include a subsidy provided by or through a governmental agency.

Section 1623. Filing of claim.

(a) General rule.—Except as provided in subsection (b), a claim for supplemental rent rebate relief must be filed with the department on or before June 30 of the year next succeeding the end of the calendar year in which the rent was due and payable.

(b) Exception.—A claim filed after the June 30 deadline until December 31 of that year shall be accepted by the department if funds are available to pay the benefits to the late-filing claimant.

Section 1624. Proof of claim.

(a) Contents.—Each claim shall include:

- (1) Reasonable proof of household income.
- (2) The size and nature of the property claimed as a homestead.
- (3) The rent receipt or other proof that rent in connection with the occupancy of the homestead has been paid.
- (4) Other information required by the department.

(b) Direct payment of rent.—The department may not require that rent was paid directly by the claimant if the rent has been paid when the claim is filed.

Section 1625. Incorrect claim.

If an audit of a claim finds the claim to have been incorrectly determined, the department shall redetermine the correct amount of the claim and notify the claimant of the reason for the redetermination and the amount of the corrected claim.

Section 1626. Claim forms.

The department shall:

- (1) Receive all applications.
- (2) Determine the eligibility of claimants.

- (3) Hear appeals.
- (4) Disburse payments.
- (5) Make available suitable forms for the filing of claims.

#### Section 1627. Fraudulent claims.

(a) Civil penalty.—If a claim is excessive and was filed with fraudulent intent, the claim shall be disallowed in full, and a penalty of 25% of the amount claimed shall be imposed. The penalty and the amount of the disallowed claim, if the claim has been paid, shall bear interest at the rate of 1.5% per month from the date of the claim until the claim is repaid.

(b) Criminal penalty.—The claimant and any person who assisted in the preparation of filing a fraudulent claim commits a misdemeanor of the third degree and, upon conviction, shall be sentenced to pay a fine not exceeding \$1,000 or to imprisonment not exceeding one year, or both.

#### Section 1628. Applicability.

Sections 1311, 1312 and 1313 of the Taxpayer Relief Act, shall apply to claims filed under this subarticle.

#### Section 1629. Regulations.

The department may promulgate regulations to implement this subarticle.

### SUBARTICLE Z

#### MISCELLANEOUS PROVISIONS

#### Section 1691. Applicability to school districts of the first class.

(a) School districts of the first class.—The allocation under section 1611 for a school district of the first class shall be paid by the Department of Education to a city of the first class.

(b) Reduction of taxes in a city of the first class.—Notwithstanding the provisions of section 1611(e), an allocation under section 1611(b) for a school district of the first class shall be used as follows:

(1) The governing body of a city of the first class shall repeal and fully offset the elimination of the local option cigarette tax established under 53 Pa.C.S. § 8722 (relating to local option cigarette tax in school districts of the first class), based on the total annualized revenue received from the tax in the first full fiscal year in which it was levied.

(2) Notwithstanding Article II-B, the governing body of a city of the first class shall reduce and fully offset the reduction from 1% to 0.4% in the rate of a sales and use tax imposed by a city of the first class under Article II-B, based on the total revenue projected to be received from the tax in the 2016-2017 fiscal year. Article II-B shall apply to the receipt and use of the funds as if the funds were generated by the sales and use tax imposed by a city of the first class.

(3) The governing body of a city of the first class shall reduce any tax imposed on the wages of residents and nonresidents under the authority of the act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the Sterling Act, in accordance with the following:

(i) For residents, by an amount equal to the amount of the property tax reduction allocation that would be calculated for a school district of the first class under section 1611(b), excluding the allocation in section 1611(b)(5), if:

(A) The total amount available for distribution was \$2,000,000,000.

(B) The maximum modifier and minimum modifier are applied as defined in the Taxpayer Relief Act.

(C) The limitation set forth in section 505(a)(3)(iii) of the Taxpayer Relief Act had applied.

(ii) For nonresidents, by an amount in excess of the limitations set forth in section 505(a)(3)(iii) of the Taxpayer Relief Act had the limitations applied to the property tax reduction allocation that would be calculated

for a school district of the first class under section 1611(b), excluding the allocation in section 1611(b)(5), if the amount available for distribution was \$2,000,000,000 and the maximum modifier and minimum modifier applied as defined in the Taxpayer Relief Act.

(iii) The reductions under this paragraph shall be in addition to any reductions included in an approved five-year financial plan of a city of the first class in effect on January 1, 2015. The reductions shall replace any reductions under section 505(d) of the Taxpayer Relief Act. Except as otherwise provided, the reductions shall be implemented in a manner consistent with Chapter 7 of the Taxpayer Relief Act.

(4) For the remaining allocation, as provided under section 1611(e).

#### Section 1692. Additional provisions.

(a) Other provisions.—Any school district property tax reduction approved under Subchapter D of Chapter 3 of the Taxpayer Relief Act shall continue in effect.

(b) Applicability.—Except as otherwise provided, a school district shall remain subject to the Taxpayer Relief Act.

### ARTICLE XVIII-G

#### MANUFACTURING TAX CREDIT

#### Section 1801-G. Definitions.

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

"Annual taxable payroll." The total amount of wages paid by an employer for the base year or year one, as applicable, from which personal income tax under Article III is withheld.

"Base year." The four calendar quarters preceding the start date.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Manufacturing tax credit." A tax credit for which the department has issued a certificate under this article.

"New job." A newly created full-time job which has an average wage, at least equal to the county average wage where the job is located and which includes employer provided health benefits.

"Start date." The first day of the calendar quarter in which an application is submitted to the department unless the applicant requests and the department agrees to a later start date.

"Taxpayer." A company that is engaged in the creation of a new item of tangible personal property for sale.

"Wages." Remuneration paid by an employer to an individual with respect to the individual's employment.

"Year one." The four calendar quarters immediately following the start date.

#### Section 1802-G. Eligibility.

In order to be eligible to receive a manufacturing tax credit, a taxpayer must demonstrate to the department the following:

(1) The ability of the taxpayer to create an increase in the taxpayer's annual taxable payroll by at least \$1,000,000 in year one through the creation of new jobs.

(2) The ability to maintain a new job for a period of at least five years from the start date.

(3) The intent to maintain operations in this Commonwealth for a period of at least five years from the start date.

#### Section 1803-G. Procedure.

(a) Application.—A taxpayer must complete and submit to the department a manufacturing tax credit application on a form and in a manner as determined by the department.

(b) Creation of new jobs.—The taxpayer must agree to create in year one at least one new job that increases the taxpayer's annual taxable payroll above the base year annual taxable payroll by \$1,000,000. The taxpayer must agree to retain the new job for at least five years from the start date.

(c) Approval.—If the department approves the taxpayer's



application, the department and the taxpayer shall execute a commitment letter containing the following:

- (1) A description of the new job created.
- (2) The number of new jobs to be created.
- (3) The amount of private capital investment in the project.
- (4) The increase in year one of the annual taxable payroll for a new job above the base year amount of annual taxable payroll.
- (5) The maximum manufacturing tax credit amount the taxpayer may claim.
- (6) A signed statement that the taxpayer intends to maintain operations in this Commonwealth for at least five years from the start date.
- (7) Any other information as the department deems appropriate.

(d) Commitment letter.—After a commitment letter has been signed by both the Commonwealth and the taxpayer, the taxpayer must increase the annual taxable payroll in year one by at least \$1,000,000 above the base year amount from the creation of a new job up to the maximum manufacturing tax credit amount specified in the commitment letter. If the taxpayer does not increase the annual taxable payroll as provided under this subsection, the commitment letter shall be revoked and deemed to be null and void.

#### Section 1804-G. Manufacturing tax credit.

(a) Maximum amount.—A taxpayer may claim a manufacturing tax credit of up to 5% of the taxpayer's increase in annual taxable payroll, if the annual taxable payroll increases in year one by at least \$1,000,000 above the base year amount from the creation of a new job up to the maximum manufacturing tax credit amount specified in the commitment letter.

(b) Determination.—The annual taxable payroll in year one for a new job shall be the sum of the amount of annual taxable payroll in year one for the new jobs created after the base year.

(c) Certificate.—After verification by the department that the taxpayer has increased the annual taxable payroll in year one by at least \$1,000,000 above the base year amount from the creation of a new job up to the maximum manufacturing tax credit amount and any other conditions required by the department and specified in the commitment letter, the taxpayer shall receive a manufacturing tax credit certificate and filing information.

(d) Applicable taxes.—A taxpayer may apply the manufacturing tax credit to 100% of the tax liability of the taxpayer under Article III, IV, VI, VII, VIII, IX, XI or XV.

(e) Term.—A taxpayer may claim the manufacturing tax credit for a period determined by the department, not to exceed the earlier of:

- (1) five years from the date the taxpayer receives the manufacturing tax credit certificate; or
- (2) six years from the start date.

(f) Availability.—A manufacturing tax credit shall be made available by the department on a first-come, first-served basis.

(g) Limitation.—Each fiscal year, \$5,000,000 in manufacturing tax credits shall be made available to the department and may be awarded by the department in accordance with this article. In any fiscal year, the department may reissue or assign prior fiscal year manufacturing tax credits which have been recaptured under section 1806-G(a) or (b) and may award prior fiscal year manufacturing tax credits not previously issued. Prior fiscal year manufacturing tax credits may be reissued, assigned or awarded by the department without limitation under section 1806-G(a) or (b).

#### Section 1805-G. Limitations.

The following apply to manufacturing tax credits:

- (1) Carry over. If the taxpayer cannot use the entire amount of the manufacturing tax credit for the taxable year in which the manufacturing tax credit is first approved, the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the taxpayer for the taxable years. Each time the manufacturing tax credit is carried

over to a succeeding taxable year, the manufacturing tax credit shall be reduced by the amount of the manufacturing tax credit used as a credit during the immediately preceding taxable year. The manufacturing tax credit may be carried over and applied to succeeding taxable years for no more than three taxable years following the first taxable year for which the taxpayer was entitled to claim the credit.

(2) Application. A manufacturing tax credit approved by the department in a taxable year first shall be applied against the taxpayer's qualified tax liability for the current taxable year as of the date on which the credit was approved before the manufacturing tax credit can be applied against any tax liability under paragraph (1).

(3) No carryback or refund. A taxpayer shall not be entitled to carry back or obtain a refund of all or any portion of an unused manufacturing tax credit granted to the taxpayer under this article.

(4) Sale or assignment. The following shall apply:

(i) A taxpayer, upon application to and approval by the department, may sell or assign, in whole or in part, a manufacturing tax credit granted to the taxpayer.

(ii) The department and the Department of Revenue shall jointly issue guidelines for the approval of applications under this paragraph.

(iii) Before an application is approved, the Department of Revenue must make a finding that the applicant has filed all required State tax reports and returns for all applicable taxable years and paid any balance of State tax due as determined at settlement, assessment or determination by the Department of Revenue.

(iv) Notwithstanding any other provision of law, the Department of Revenue must settle, assess or determine the tax of an applicant under this paragraph within 90 days of the filing of each required final return or report in accordance with section 806.1(a)(5) of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

(5) Purchaser or assignee. The following apply:

(i) The purchaser or assignee of all or a portion of a manufacturing tax credit under paragraph (4) must immediately claim the credit in the taxable year in which the purchase or assignment is made.

(ii) The amount of the manufacturing tax credit that a purchaser or assignee may use against any one qualified tax liability may not exceed 50% of the qualified tax liability for the taxable year.

(iii) The purchaser or assignee may not carry forward, carry back or obtain a refund of or sell or assign the manufacturing tax credit.

(iv) The purchaser or assignee must notify the Department of Revenue of the seller or assignor of the manufacturing tax credit in compliance with procedures specified by the Department of Revenue.

#### Section 1806-G. Penalties.

(a) Failure to maintain operations.—A taxpayer which receives a manufacturing tax credit and fails to substantially maintain existing operations related to the manufacturing tax credits in this Commonwealth for a period of at least five years from the start date must refund to the Commonwealth the total amount of manufacturing tax credits granted. The Department of Revenue may issue an assessment, including interest, additions and penalties, for the total amount of each manufacturing tax credit to be refunded to the Commonwealth.

(b) Failure to maintain jobs.—A taxpayer which receives a manufacturing tax credit and fails to maintain a new job for a period of at least five years from the start date must refund to the Commonwealth the total amount of manufacturing tax credits granted. The Department

of Revenue may issue an assessment, including interest, additions and penalties, for the total amount of manufacturing tax credits to be refunded to the Commonwealth.

(c) Waiver.—The department may waive the penalties under subsections (a) and (b) if it is determined that a company's operations were not maintained or the new jobs were not created because of circumstances beyond the company's control. Circumstances shall include natural disasters, unforeseen industry trends or a loss of a major supplier or market.

Section 1807-G. Guidelines.

The department shall develop and publish guidelines necessary to implement this article.

Section 29. Section 3003.3(d) of the act, amended October 18, 2006 (P.L.1149, No.119), is amended and the section is amended by adding a subsection to read:

Section 3003.3. Underpayment of Estimated Tax.—\* \* \*

(d) Notwithstanding the provisions of the preceding subsections and except as provided under subsection (d.1), interest with respect to any underpayment of any installment of estimated tax shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were an amount equal to the tax computed at the rates applicable to the taxable year, including any minimum tax imposed, but otherwise on the basis of the facts shown on the report of the taxpayer for, and the law applicable to, the safe harbor base year, adjusted for any changes to sections 401, 601, 602 and 1101 enacted for the taxable year, if a report showing a liability for tax was filed by the taxpayer for the safe harbor base year. If the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment does not equal or exceed the amount required to be paid per the preceding sentence, but such amount is paid after the date the installment was required to be paid, then the period of underpayment shall run from the date the installment was required to be paid to the date the amount required to be paid per the preceding sentence is paid. Provided, that if the total tax for the safe harbor base year exceeds the tax shown on such report by ten per cent or more, the total tax adjusted to reflect the current tax rate shall be used for purposes of this subsection. In the event that the total tax for the safe harbor base year exceeds the tax shown on the report by ten per cent or more, interest resulting from the utilization of such total tax in the application of the provisions of this subsection shall not be imposed if, within forty-five days of the mailing date of each assessment, payments are made such that the total amount of all payments of estimated tax equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were an amount equal to the total tax adjusted to reflect the current tax rate. In any case in which the taxable year for which an underpayment of estimated tax may exist is a short taxable year, in determining the tax shown on the report or the total tax for the safe harbor base year, the tax will be reduced by multiplying it by the ratio of the number of installment payments made in the short taxable year to the number of installment payments required to be made for the full taxable year.

(d.1) With respect to any underpayment of an installment of estimated corporate net income tax for any tax year that begins in year 2016 or 2017 by a corporation required to file a combined report under section 403(a.1)(1), interest shall not be imposed if the total amount of each payment of estimated corporate net income tax made on or before the last date prescribed for the payment of the installment equals or exceeds the amount which would have been required to be paid on or before the date if the estimated tax were an amount equal to the combined tax shown on the reports of all the members of the unitary business for the safe harbor base year computed at the rate applicable to the taxable year.

Section 30. Notwithstanding any other provision of law, any additional revenue collected under 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, that is generated by the amendment of Article II of the act shall be transferred to a city of the first class in accordance with the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal Pension Plan Funding Standard and Recovery Act.

Section 31. For tax on services defined in section 201(dd), (eee) and (fff) of the act, if contracts for the sale of the services have been entered into prior to the effective date of this section, the tax under Article II of the act shall be prorated as follows:

- (1) Determine the total value of the contract.
- (2) Multiply the total value of the contract by the ratio

of:

- (i) the remaining term of the contract on the effective date of this section; to
- (ii) the total term of the contract.

Section 32. Notwithstanding the provisions of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, the amendments to Article II contained in this act shall not preempt any tax imposed by a unit of local government as of the effective date of this act unless specifically provided in this act.

Section 32.1. Repeals are as follows:

- (1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of Article XVI of the act.
- (2) Section 342, 343, 503(a) and 505(b) of the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act, are repealed.
- (3) The General Assembly declares that the repeal under paragraph (4) is necessary to effectuate the addition of Article XVIII-G of the act.
- (4) The act of October 25, 2012 (P.L.1664, No.206), known as the Promoting Employment Across Pennsylvania Act, is repealed.

Section 33. Notwithstanding section 314 of the act of October 25, 2012 (P.L.1664, No.206), known as the Promoting Employment Across Pennsylvania Act, no agreement under the Promoting Employment Across Pennsylvania Act may be entered into after June 30, 2015.

Section 34. The amendment of the following provisions shall apply to taxes imposed under Article VII of the act for calendar years beginning after December 31, 2013:

- (1) Section 701(b) of the act.
- (2) Section 701.1 of the act.
- (3) Section 701.4(3)(xiii) of the act.
- (4) The definitions of "doing business in this

Commonwealth" and "receipts" in section 701.5 of the act.

Section 35. The amendment of section 304 of the act shall apply to tax years beginning after December 31, 2014.

Section 36. The amendment or addition of the following provisions shall apply to taxable years beginning after December 31, 2015:

- (1) The following provisions of section 401 of the act:
  - (i) Clause (3):
    - (A) 1(a) and (t),
    - (B) 2(a)(16.1) and (f).
    - (C) 4(c)(1)(A), (2)(B)(VII), (3) and (4).
  - (ii) Clauses (5), (11), (12), (13), (14), (15) and (16).
- (2) Section 402(b) of the act.
- (3) Section 403(a.1) and (a.2) of the act.
- (4) Section 404 of the act.
- (5) Section 3003.3(d) and (d.1) of the act.

Section 37. This act shall take effect as follows:

(1) The following provisions shall take effect immediately:

- (i) This section.
- (ii) The amendment or addition of sections 302, 303, 304, 360, 701, 701.1 and 701.4(3)(xiii) and the

definitions of "doing business in this Commonwealth" and "receipts" in section 701.5 of the act.

(2) The amendment of sections 302 and 303 of the act shall take effect July 1, 2015.

(3) The following provisions shall take effect October 1, 2015, or immediately, whichever is later:

(i) Section 32 of this act.

(ii) The amendment or addition of sections 1206, 1206.1 and Article XII-A of the act.

(4) The following provisions shall take effect January 1, 2016, or immediately, whichever is later:

(i) Sections 30 and 31 of this act.

(ii) The amendment or addition of sections 201(a), (b), (c), (f), (g), (i), (k), (m), (o), (w), (y), (dd), (ll), (pp), (qq), (tt), (eee) and (fff), 202, 203, 204 heading, (4), (5), (11), (13), (17), (29), (30), (31), (32), (33), (34), (35), (36), (37), (38), (39), (41), (45), (50), (53), (55), (57), (58), (61), (63), (64), (65), (66), (70), (71), (72), (73), (74), (75) and (76), 206, 208, 209, 210, 217, 225, 227, 233, 247.1(b), 252, 262, 265, 266(c), 268(b) and (c), 271(d), 281.3 and Article XI-E of the act.

(5) The addition of section 204(77) of the act shall take effect in 60 days.

(6) Sections 1622 and 1623 of the act and section 32.1 of this act shall take effect upon publication in the Pennsylvania Bulletin of notice that the Secretary of the Budget has certified the availability of funds under section 1621(c) of the act.

(7) The addition of Article XVIII-G of the act shall take effect in 90 days.

(8) The remainder of this act shall take effect July 1, 2015, or immediately, whichever is later.

On the question,

Will the House agree to the amendment?

The SPEAKER. On that question, the Chair recognizes the good gentleman, Representative Grove.

Mr. GROVE. Thank you, Mr. Speaker.

It is June. It is June 1, and before us we have the Governor's holistic budget tax bill. It contains over 550 new taxes, significant tax increases on existing taxes, totaling \$12.7 billion in new spending over 2 years. In order to get the General Fund appropriation, to get the spending the Governor wants, you must actually vote for the tax increases that entail and comprehend the Governor's tax – or Governor's spending plan.

Mr. Speaker, A00808 is the Governor's sales tax expansion, the PIT (personal income tax) tax increase, severance tax, property tax reform plan, and the manufacturers' tax credits rolled into one comprehensive amendment.

The IFO (Independent Fiscal Office) recently scored this as a tax increase for all income groups, including the tobacco tax, the sales tax, the personal income, severance tax, and the severance tax includes higher utility prices for end-use consumers.

Mr. Speaker, I will not be voting for amendment A00808. It may come as a surprise, but I do not believe a \$12.7 billion tax increase on taxpayers is acceptable.

Mr. Speaker, I would also urge my colleagues to vote "no" on A00808 and ensure we enter the June budget discussions from fiscal stewardship, not just wanting massive tax increases placed upon our tax increases for the sake of doing it, Mr. Speaker.

And again, we just had some discussion on the general appropriations bill. If my colleagues want that line, that level of funding for those line items, this is your opportunity. I do not

know how many "yes" votes there will be, but hopefully, at some point we can find out exactly where we are on the tax-and-spend policy and start moving forward for a balanced June 30 budget done on time that appropriates good levels of funding, which I think the taxpayers of Pennsylvania want and deserve.

Thank you, Mr. Speaker.

The SPEAKER. The Appropriations chairman, Representative Adolph of Delaware County.

Mr. ADOLPH. Thank you, Mr. Speaker.

Mr. Speaker, the Democratic chair of the Appropriations Committee wanted to offer the Governor's spending plan. The gentleman knows that in order to introduce an amendment on a spending plan, you must have the revenue in order to vote it. This, Mr. Speaker, is how you pay for the Governor's spending plan.

When Governor Wolf came to this chamber in front of a joint session and announced his plan, my first reaction on that day back in March was, wow; that is a lot of taxes. Now June 1, my first impression is still the same, and as I have had an opportunity to talk to various groups throughout the Commonwealth of Pennsylvania regarding this, not a lot of people understood how these new programs would be paid for.

Where I live in Delaware County, we are less than 15 minutes from the State of Delaware, a sales-tax-free State. Under the Governor's proposal in HB 283, we increased the sales tax from 6 percent to 6.6 percent at the retail level. However, in addition to that, we expand the 6.6 sales tax to all professional services.

Now, let us just talk about what type of services Pennsylvania residents will have to pay. I know an awful lot of single moms that put their kids in day-care centers and a lot of double-income families that pay \$15,000 to \$20,000 a year so their kids can be taken care of while they go out making a living; \$15,000 to \$20,000. Now, times that by 6.6 percent. That is a lot of money.

We all have loved ones and relatives, neighbors, and friends that spend their last years in nursing homes, \$4,000, \$5,000, \$6,000 a month. Now, times that by 6.6 percent. That is a lot of money; that is a lot of money.

Let us talk about newspapers. Let us talk about baby diapers. Let us talk about college meal plans, funeral services, travel services, real estate commissions, legal services, nonprescription drugs, textbooks, college room and board.

Today I had an opportunity to talk to some presidents of universities, and they did the math regarding the proposal of the increase that they would be receiving and times it by some of the sales tax that their students will now be paying, and there is a net loss to the students.

The increase in PIT to 3.7. That will cost a family making \$100,000 an additional \$600 a year.

Mr. Speaker, I did not know we were going to be debating this bill today, because I just found out today, oh, approximately 2 hours ago, that the good gentleman from Allegheny County was offering the Governor's general appropriations spending plan. So I think it is only fair that in order to have a balanced budget, we air our differences and make sure that the taxpayers of Pennsylvania know how the Governor's spending plan will be paid for, and, Mr. Speaker, in the year 2016 that spending plan will be paid for by \$8 billion in new taxes.

I ask for a "no" vote on HB 283. Thank you.

The SPEAKER. Representative Markosek, the floor is yours.  
Mr. MARKOSEK. Thank you, Mr. Speaker.

For the last 4 years when we have done the budgets in Pennsylvania, basically what we have ended up with is phony budgets, missed opportunities, sleight of hand, smoke and mirrors, gimmicks, gimmicks, and more gimmicks, and where has that gotten us here today? In a year when the economy has turned around, unemployment has come down, we are running a huge deficit. It is not because there are not a lot of people in Pennsylvania that are not doing well. It is because of these past budgets that were basically phony that we end up in the situation that we are in now. It did not work, and here we are today doing the same thing.

When the good gentleman from York County puts in an amendment to a bill talking about taxes and then gets up and publicly says he is not voting for it, it is another gimmick, it is another gimmick. Here we are. The majority party cannot get over just doing gimmicks instead of doing the right thing for Pennsylvania — making the tough votes, talking about the tough issues, and doing what we, every person in this room knows we need to do to do the right thing. Instead of that, we have more sleight of hand, more smoke and mirrors, and one big gimmick here today.

You know, when my friend, the chairman, the majority chairman of the Appropriations Committee mentioned that there is a rule that we have here in the House about making the budget budget-neutral, that is not a constitutional issue. That was a rule that we passed several years ago, because quite frankly, we had a major problem with a lot of amendments being offered and the budget getting out of control, but those were years, those were years in which we had surpluses, not deficit. When you are in a situation with a huge structural deficit like we have now, that rule — and I know we cannot change it here today; it is what it is — but people should know that because of that rule, we cannot have the kind of budget discussion here today that we should be having about really coming up with the solid answers and some of them being very tough answers to a lot of our very, very difficult budget, budget issues that we have today. That is why I asked for a suspension of the rules of my budget. Those are the kinds of things that we ultimately need to do in Pennsylvania, and yeah, we ultimately need to pay for that in Pennsylvania, but that is what we are here for.

We are here for our constituents back home so that they have better education, so that they have better higher education opportunities, so that they have jobs, so that they have economic development programs, so that they have human services for those amongst us and those back home amongst our constituents that need it, that need a safety net, that are not as lucky as most of us in the room, that we do not perhaps need those services. That is why I offered what I offered, and unfortunately, what we have seen in response here, because of the lack of dealing with, really, what we should deal with here today, we see now a phony, phony effort here today, and I say that and I have very great respect for my good friend from York County, but I think we know this is another sleight of hand and another gimmick just to get through today to avoid making the really tough decisions in Pennsylvania that we all got elected and sworn in to do.

Thank you, Mr. Speaker.

The SPEAKER. Representative Conklin.

Mr. CONKLIN. Thank you, Mr. Speaker.

Would the maker of the amendment stand for brief interrogation?

The SPEAKER. The gentleman has indicated he will stand for interrogation.

Mr. CONKLIN. I am just curious. Yourself and the previous speaker talked about that this was the Governor's — like this is the Governor's amendment. Can you tell us about some of the negotiations that you have sat down with the Governor to discuss this amendment you put up today?

Mr. GROVE. Thank you, Mr. Speaker.

I spent 3 weeks on the Appropriations Committee hearing testimony from the Governor's Office, his Secretaries, and every answer was, you must take the Governor's budget and holistic process. You cannot pull one piece out. So it must stand and fall on its own. That is what we are doing today, giving the opportunity for the Governor's budget to stand or fall on its own merits.

Mr. CONKLIN. So I take that as a no, you have never talked to the Governor.

Mr. GROVE. It is verbatim, his budget he introduced, his tax-and-spend plan. Everything is in here — the corporate net income tax, personal income tax, sales and use tax, increase in expansion of the base, over 550 new taxes, severance tax, bank shares tax, cigarette tax, tobacco products, e-cigarettes, and tax credits. It is comprehensive. It is what the Governor introduced.

Mr. CONKLIN. Okay. That is a no, you have never talked to the Governor.

So when you came up with this, the Grove amendment to raise all these taxes, did you discuss it with your leadership or the Democratic leadership about the Grove tax-raise amendment?

Mr. GROVE. Thank you, Mr. Speaker.

Once again, it is the Governor's budget he proposed. Obviously, you cannot talk about all the nice spending without actually putting up a vote for the taxes and the spending.

Mr. Speaker, I am a "no." I am not voting for it. I think it is a huge tax increase on behalf of the taxpayers of Pennsylvania. Again, a 20-percent increase in the personal income tax; for 550 new taxes on Pennsylvanians; and the sales and use tax; severance tax increase, which IFO already said it goes right to the utility payers of Pennsylvania; bank shares tax; cigarette tax, which hits the poorest Pennsylvanians; tobacco products; e-cigarette tax; and of course tax credits.

Mr. CONKLIN. Thank you for giving us the rundown of the Grove tax-and-spend amendment, but at the end of the day I appreciate your overanxiousness to tax a lot of things.

You know, as it was said to me, the sincerity tax, thank goodness that was not in there, but I appreciate what you have done. I enjoy, you know, a good gag myself every now and then, but you know what? I am going to agree with the gentleman from York County and I am going to ask my colleagues to please—

The SPEAKER. Mr. Conklin, Representative, have you concluded your interrogation?

Mr. CONKLIN. Oh, yes. Thank you, Mr. Speaker.

The SPEAKER. Would you like to speak on the amendment?

Mr. CONKLIN. On the amendment.



The SPEAKER. Yes, sir. At this time the floor is yours to speak on the amendment. The interrogation is completed.

Mr. CONKLIN. Thank you, Mr. Speaker.

I want to thank the gentleman from York, and you know what? I am asking everybody in this chamber to do the same. You know, we cannot afford the Grove tax-and-spend amendment, Mr. Speaker. We really cannot. So I am asking my colleagues in here, let us stand with him and against him. Let us be for it before we are against it and let us be against it before we are for it. Let us vote down the Grove tax-and-spend amendment and move on. Thank you, Mr. Speaker.

The SPEAKER. Representative Evankovich.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Would the maker of the amendment please rise for brief interrogation?

The SPEAKER. The gentleman has indicated he will stand for interrogation.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, we have heard a lot about the Wolf tax plan. Can you please just briefly tell the chamber the differences between the Wolf tax plan that he outlined at that rostrum back in March and what is contained in amendment A00808?

Mr. GROVE. There is no difference.

Mr. EVANKOVICH. I am sorry, Mr. Speaker. There is no difference between the tax plan in A00808 and what was outlined by the Governor in his budget address?

Mr. GROVE. No. All the documents pertained in this bill, all the language was pulled from the Governor's Office of the Budget combined together and is in A00808.

The SPEAKER. Representative Grove, if you can, please, if you could suspend at this time. There is a point of order on the floor.

### POINT OF ORDER

The SPEAKER. And I turn it over to Representative Neuman.

Mr. NEUMAN. Thank you, Mr. Speaker, for recognizing me on a point of order.

We do not have a tax proposal in front of us. This is the general appropriations bill. If we could focus on the general appropriations bill and leave the tax bill out of this, I would greatly appreciate it.

The SPEAKER. Sir, Representative Neuman, HB 283 is in fact a revenue bill, and amendment 808 is actually a tax package that is with respect to a revenue bill. We had suspended from—

Mr. NEUMAN. I was mistaken, Mr. Speaker.

The SPEAKER. —the appropriations bill.

Mr. NEUMAN. Thank you.

The SPEAKER. Thank you, sir.

### LEAVE OF ABSENCE CANCELED

The SPEAKER. Members, the majority whip has indicated that Representative Dush wishes to be placed back on the record, and that request will be granted. Representative Dush will be marked on the record.

### CONSIDERATION OF HB 283 CONTINUED

The SPEAKER. At this time I recognize Representative Evankovich.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Continuing the interrogation, Mr. Speaker, can you please outline what the total tax increase is in your amendment?

Mr. GROVE. Yes. The tax increase provided by the Governor's Office of the Budget for the fiscal note, \$4.6 billion in 2015-16 and \$8.05 billion in 2016-17.

Mr. EVANKOVICH. And, Mr. Speaker, we have heard a lot about the severance tax on natural gas as it pertains to the Governor's tax plan. Can you please for us outline what percentage or what the total amount of the severance tax would be in this current fiscal year?

Mr. GROVE. For '15-'16, \$165.7 million.

Mr. EVANKOVICH. So, Mr. Speaker, you are telling the chamber here that roughly 4 percent of the Governor's tax-and-spend proposal would be through the Marcellus Shale severance tax and the rest is a component of the other taxes as contained in your amendment?

Mr. GROVE. That is correct.

Mr. EVANKOVICH. Mr. Speaker, there seems to be some confusion about the property tax reform proposals that were included in the Governor's budget. Can you please outline the differences in the chamber between the property tax changes that are contained in amendment 808 versus, say, the property tax reform proposal that passed this chamber?

Mr. GROVE. Yes. Thank you. The Governor's proposal would use a personal income tax increase of .63 percent. Out of that there would be revenue generation for this fiscal year of \$2.4 billion. According to the Office of the Budget, only \$2.1 billion out of that \$2.4 billion will be certified for property tax relief not to be paid out this fiscal year. Ultimately, even the property tax proposal the Governor has put up ends up being a tax increase on Pennsylvania residents. The bipartisan bill that passed last month now would increase the PIT the same exact percentage. All that money would be dedicated to property tax relief, partial payout of this coming fiscal year. It would also raise the sales tax by 1 percent. That dollar would go to homeowners through this year, no expansion of the base, and would also provide about \$125 million in property tax/rent rebate increases.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, just if I can, I would just conclude my interrogation on the bill.

The SPEAKER. The gentleman is in order to proceed.

Mr. EVANKOVICH. Thank you, Mr. Speaker.

Mr. Speaker, very briefly, do not let clever language fool you. Amendment A00808 is the Governor's tax plan.

Mr. Speaker, I have served in this chamber since 2011. Each year we have done a budget. Each year in that budget we did not raise taxes as part that budget. Mr. Speaker, each year we lived within the State's means.

The reality of the Wolf tax plan is that the Wolf tax plan will ask Pennsylvanians to do more with less by taking more money out of their paycheck, making the cost of their goods go up in the stores that they buy things from. So it will ask more from the constituents and the people of Pennsylvania than it asks of the

government, and I just simply submit that what we need to be doing is asking the State government to do more with less rather than asking the people of Pennsylvania to do more with less. Thank you.

The SPEAKER. Representative Pashinski, the floor is yours.

Mr. PASHINSKI. Thank you very much, Mr. Speaker.

Would the gentleman please stand for brief interrogation?

The SPEAKER. The gentleman has indicated he will stand for interrogation.

Mr. PASHINSKI. Thank you very much, Mr. Speaker.

Could you clarify, sir, the difference between what you are suggesting is the Governor's tax plan as opposed to the Republican proposal for HB 76 that was proposed? I believe you are a cosponsor on that. What is the difference between HB 76, which was a Republican proposal to eliminate property taxes, and the amendment that you are providing?

Mr. GROVE. Thank you, Mr. Speaker.

Number one, I was never a cosponsor of HB 76.

Number two, HB 76, every dollar raised actually went to property tax reduction elimination. Under the Governor's plan, a total of \$12.7 billion raised, only \$3.2 billion actually goes back to property tax payers. The Wolf plan is a tax increase. The HB 76 concept is going, dollar for dollar, straight back to property taxes.

Mr. PASHINSKI. In that same proposal that you are talking about in HB 76, it was indicated that you are going to expand the sales tax into the areas that you brought forth. Just as an example, just a few minutes ago where you talked about increasing the taxes on the various services that are not taxed at the present time, including, you know, diapers and home health-care services, et cetera, and instead of a 6.6-percent increase, HB 76 was a 7-percent increase, and instead of a 3.7 increase, from 3.07 to 3.7, on the personal income tax, your side of the aisle suggested raising the personal income tax from 3.07 to 4.34.

I bring this up only because I believe the people of Pennsylvania expect us to bring forth a budget that is both fair and just, that is fair to both business as well as to the private citizen, and the reason for the interrogation was to determine, how can we make a statement that blasphemes what the Governor was proposing, which was in direct regard to what your side actually proposed for the last several years? HB 76 increased the personal income tax from 3.07 to 4.34 and the sales tax from 6 to 7 plus the expansion.

The SPEAKER. Okay. At this time there are only two speakers left. It is the leaders, Representative—

Sir, you may proceed. I apologize, Representative Pashinski. I thought you were finished; I apologize.

Mr. PASHINSKI. I was waiting for the gentleman to respond, if he would like to.

Mr. GROVE. I did not get your question there. Ask your question one more time.

Mr. PASHINSKI. The question is, I am trying to understand the consternation that you presented relative to what you are suggesting is the Governor's proposal, raising the sales tax from 6 to 6.6 percent and expanding it to all those other items that are not expanded at the present time and then raising the personal income tax from 3.07 to 3.7, as opposed to the proposal from HB 76, which raised the personal income tax from 3.7 to 4.34. Even though the idea was to eliminate the property taxes, the Independent Fiscal Office and Department of Revenue indicated in qualified quantified reports that that did not work.

The SPEAKER. Mr. Pashinski?

Mr. PASHINSKI. Yes, sir.

The SPEAKER. If you could, just for a second, please suspend.

Sir, on interrogation you may certainly ask, you know, pointed direct questions to which you do not know the answer. However, if you do wish to speak on the amendment itself, I will certainly recognize you on that and give you that opportunity. I am going to turn this one over to the maker of the amendment at this time, but, please, for all members, to the extent that you have interrogation, you know, ask precise direct questions that you do not know the answer to, and then also, if you would intend to speak on the amendment, I will certainly give you that opportunity.

At this time I turn it over to Representative Grove.

Mr. GROVE. Thank you, Mr. Speaker.

As you are aware — you were here last session — the bill you are talking about was actually voted down 69 to 125 on December 13, 2005 — I am sorry; October 1, 2013, voted 59 to 138. It was also voted down three previous times — January 29, 2008, 47 to 148; June 13, 2006, voted down 74 to 128; December 13, 2005, voted down 69 to 125. I have no idea why the Governor wanted to model his bill after a concept that has been voted down four times in this chamber. You know, you are going to have to ask the Governor why he did do that.

What I do know is this House acted bipartisanship, in a bipartisan fashion, to move a \$5 billion property tax cut bill early in May over to the Senate. The bill before us is amendment A00808. The language, word for word, sentence for sentence, including the sales tax on whale watching, came exactly from the Governor's Office of the Budget's Web site. This is what he advocated for and what he continues to go across Pennsylvania advocating for, a \$12.7 billion tax increase over the past 2 years.

The connection between a bill that has never passed and the Governor's budget, which we have before us, obviously they were voted down for — well, I do not know about this one — but the bill you had referenced earlier was voted down numerous times.

Mr. PASHINSKI. Thank you, Mr. Speaker.

On the amendment?

The SPEAKER. Representative Pashinski, it is my understanding that interrogation is completed, and you are recognized on the amendment.

Mr. PASHINSKI. Thank you very much, Mr. Speaker, and I do appreciate the response.

The Governor has, I think, put a very good foot forward. He has presented himself to members of both sides of the aisle in an attempt to bring us together to try to move Pennsylvania forward and to try to do it in a comprehensive fashion.

His proposal addresses the concern that we have heard on this House floor for years, and that is that Pennsylvania has the highest corporate net income tax in the entire country. He has addressed that by suggesting we can reduce that corporate net income tax from 9.9 to 5.9 this year and 4.9 next year. He has also conferred and concurred that he would like to eliminate the capital stock and franchise tax to help our businesses and to attract more, and in so doing, he is strongly suggesting that we close the Delaware loophole so that the 75 percent of all the major corporations that pay nothing in corporate net income tax will pay something, that 4.9 percent; a comprehensive, fair, and just way for everybody to pay their fair share.

He has heard the taxpayers throughout Pennsylvania saying that property taxes for school taxes are too high. Many people on fixed incomes are having a difficult time trying to pay their taxes. He incorporated some of your ideas to help reduce those property taxes by increasing the sales tax from 6 to 6.6 and expanding it and by taking the same figure that your side had presented from 3.07 on PIT to 3.7.

And he has suggested, just as the people of the Commonwealth have overwhelmingly suggested, that we tax our Marcellus Shale industry at a fair and just level. What that level will be is determined by the negotiations between the members of the legislature and the Governor's Office.

I believe the Governor has reached out to all members on all sides of the aisle, in both chambers, to bring us together to try to bring forth a budget that makes sense, that is fair, and that will provide the money necessary to invest in Pennsylvania, to attract more business, to attract a better economy, to enhance our school systems, which will help attract economy, and do it, and do it in a timely manner so that all those that depend on what we do here in this House know how they can budget.

I ask this chamber to very seriously consider, please, on behalf of the 12.7 million of Pennsylvania, that we do our job, what they expect us to do. Let us just get into the room, let us negotiate, and get the darn thing done. Thank you, Mr. Speaker.

The SPEAKER. Representative Neuman.

Mr. NEUMAN. Thank you, Mr. Speaker.

As we sit here and listen to the debate, I think it is fairly obvious that the underlying bill, HB 283, is really not at issue here. It is the stunts that are being performed in order for political gain that is at issue here today, and if you look at the amendment, amendment 00808, it has little to nothing to do with the underlying bill.

### GERMANENESS QUESTIONED

Mr. NEUMAN. So I put before the House, Mr. Speaker – I would like to be recognized to make a motion.

The SPEAKER. Representative Neuman, for the purpose of making a motion.

Mr. NEUMAN. Thank you, Mr. Speaker.

As set by precedent in this chamber in this session and in prior sessions and set in precedent by our Supreme Court, this amendment is nongermane to the underlying bill, and I would make a motion that amendment 00808 is nongermane to HB 283.

The SPEAKER. Okay. At this time Leader Dermody and—

The gentleman from Washington County, Representative Neuman, has raised the question of whether amendment 00808 is germane to the underlying bill, HB 283. Under House rule 27, questions involving whether an amendment is germane to the subject shall be decided by the House.

On the question,

Will the House sustain the germaneness of the amendment?

The SPEAKER. On that question, the Chair recognizes Leader Dermody.

We will recognize Representative Neuman.

Mr. NEUMAN. Thank you, Mr. Speaker.

As we have seen in many recent Supreme Court cases and as we have seen as this chamber has taken votes, the Supreme

Court has been narrowly defining what is germane whenever we go through our amendment process.

This underlying bill talks about tax exemptions for gun safes and gun locks. This amendment, the narrow portion – the bill is very narrow. This amendment talks about a number of different tax expansions.

There is no correlation, no relationship, between a Marcellus Shale tax and a tax exemption of a gun safe. There is no correlation between the personal income tax increase and the exemption for gun safes or gun locks.

Mr. Speaker, this is an egregious example of how we as legislators need to take serious the amendment process or we will continue to lose in the Supreme Court and the Supreme Court will continue to look at us and tell us that we are not doing our job.

Mr. Speaker, I ask everybody today to vote, as we have in the past, vote consistent with our chamber and with the Supreme Court rulings that this amendment is nongermane to the underlying bill.

Thank you, Mr. Speaker.

The SPEAKER. Leader Dermody.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, over the last several years I have been at this microphone several times arguing this germaneness issue, and over the years the majority has developed the very narrow parameters for discussing and for finding amendments germane, and those narrow parameters have been applied, it seems to me, strictly to Democratic amendments.

Now, you have just heard an argument about why this amendment is not germane. What does taxing gun safes have to do with taxing Marcellus Shale? We should consider Democratic amendments the same way we consider Republican amendments as to their germaneness.

This is one that is not germane. It is clear. We ought to vote that this amendment is not germane.

Thank you, Mr. Speaker.

The SPEAKER. Representative Reed, the majority leader.

Mr. REED. Thank you very much, Mr. Speaker.

This is a very simple concept. We have attempted to put a budget in place, to complete the budget process by June 30. The Democratic Party has offered an amendment to that bill that would spend billions upon billions of dollars with no revenue to go along with it.

Now, I would gladly be willing to bring up the individual bill encompassing the Governor's Tax Code proposal for a vote if just somebody on the Democratic side of the aisle would actually introduce that bill because we are a month from the budgetary deadline. If you are going to spend the money, you have to be willing to pay for it.

I will give the Governor credit. When he introduced a budget on March 3, he proposed spending and he proposed taxes to pay for that spending. We will not turn Harrisburg into Washington, DC. We will not spend money we do not have. You will need to show how you are going to pay for the spending before we are going to pass a general appropriations bill through this House.

This amendment represents in totality the Governor's Tax Code package, both good and bad. Either you are for or against it. Now is your opportunity to send that message. Now is the opportunity to get rid of the procedural tricks to avoid making the tough vote, as the Democratic Appropriations chairman alluded to earlier.

This amendment is germane. Let us have this conversation. Let us find out on June 1, is there support in this chamber for the Governor's Tax Code package? And if there is not, let us get about the business of negotiating a real budget. And if there is, then I suspect we will have a budget done next week.

So let us move on with the process. This amendment is clearly germane. Let us get on with the voting, and let us get a budget done by June 30.

Thank you, Mr. Speaker.

The SPEAKER. Representative Cutler, the majority whip, is recognized.

Mr. CUTLER. Thank you, Mr. Speaker.

Mr. Speaker, when dealing with issues of germaneness, I recognize that I am usually one of the individuals helping define what that term is and is not for this chamber, and I would like to run briefly through an outline, if I may, as to why this amendment is in fact germane.

Germaneness and the Constitution's single-subject rule are not always synonymous. The single-subject court cases are helpful, however, when we consider the issue of germaneness.

The seminal case defining "single subject" would be the *City of Philadelphia v. Commonwealth*, decided in 2003. In *City of Philadelphia*, the Court adopted a practical germaneness test where the single-subject requirement is satisfied, so long as the legislation at issue possesses some "...single unifying subject to which all the provisions of the act are..." relevant. Hypothesizing reasonably broad topics is appropriate to ensure that Article III does not result in the judiciary exercising tyranny over the efforts of the legislature in determining what we have deemed to be appropriate.

For further reference, you could see what is commonly referred to as the "*PAGE*" case, a Supreme Court case from 2005; the *Spahn* case from 2009; the *Pennsylvania State Association of Jury Commissioners* from 2013; or *Neiman*, also decided in 2013.

Instructive of the question before us today is the Commonwealth Court's opinion in *Washington v. Department of Public Welfare*. The Court considered the particulars of Act 80 of 2012, including changes to general assistance, medical assistance, child welfare, mental health, intellectual disabilities, and long-term nursing home facilities – topics no more diverse than the original Public Welfare Code. Act 80 complied with the single-subject rule because the health and human services programs were part of the scheme and "...the theme of improving the effectiveness and efficiency of the delivery of human services programs to people in need."

The *Washington* case further noted – and this is what I believe is instructive to us today – that "...a bill may amend several statutes so long as the amendments pertain to the same subject." And again, quoting from the case, the "'subject' should not be confused with 'content.' ...A single subject may encompass many subtopics."

The fundamental constitutional question is "...whether the various components..." of a bill "...are part of 'a unifying scheme to accomplish a single purpose.'" That would be the *Neiman* case citing the *City of Philadelphia* case as support.

In this case, the underlying bill, Mr. Speaker, deals with State taxes. This amendment deals with State taxes; taxes that we have heard throughout the budgetary process and the various hearings that they must be considered in their entirety by the administration. This does in fact do it, and it puts them all before us today for one vote.

Mr. Speaker, to use a more common term, I would offer an analogy offered to me by an English teacher. The subject of the outline is revenues. The various taxes are your subheadings – A, B, C, and D – and they continue on far further, but equally important and related, because they are all revenue.

The Governor's proposal to increase a variety of taxes, while broad, is in fact a single unifying theme of State taxes funding a budget that he has proposed.

I would recommend a "no" vote – or I am sorry, Mr. Speaker; I guess I should ask for direction in regard to the manner in which we vote – but I would oppose the Neuman—

The SPEAKER. Yes.

Mr. CUTLER. —I would oppose the motion that is now before us and get to the underlying issue, which is the amendment on the bill.

The SPEAKER. Given the point of order, just for clarification. Those who believe the amendment is germane will be voting "aye," and those who believe the amendment is not germane will be voting "nay."

Does anybody else wish to be recognized on this motion?

Okay. Again, under House rule 27, questions involving whether an amendment is germane to the subject shall be decided by the House. If you believe the amendment is germane, you will be voting "aye"; if you believe the amendment is not germane, you will be voting "nay."

On the question recurring,

Will the House sustain the germaneness of the amendment?

The following roll call was recorded:

#### YEAS—119

Adolph	Gingrich	Marshall	Roae
Baker	Godshall	Masser	Ross
Barrar	Greiner	McGinnis	Saccone
Benninghoff	Grove	Mentzer	Samuelson
Bloom	Hahn	Metcalfe	Sankey
Boback	Harhart	Metzgar	Santora
Brown, R.	Harper	Miccarelli	Saylor
Caltagirone	Harris, A.	Millard	Schemel
Causar	Heffley	Miller, B.	Simmons
Christiana	Helm	Milne	Sonney
Corbin	Hennessey	Moul	Staats
Cox	Hickernell	Murt	Stephens
Culver	Hill	Mustio	Tallman
Cutler	Irvin	Nesbit	Taylor
Day	James	O'Neill	Tobash
Delozier	Jozwiak	Oberlander	Toepel
Diamond	Kampf	Ortitay	Toohil
DiGirolamo	Kaufer	Parker, D.	Topper
Dunbar	Kauffman	Payne	Truitt
Dush	Keller, F.	Peifer	Vitali
Ellis	Keller, M.K.	Petri	Ward
Emrick	Killion	Pickett	Warner
English	Klunk	Pyle	Watson
Evankovich	Knowles	Quigley	Wentling
Everett	Krieger	Quinn	Wheeland
Farry	Lewis	Rader	White
Fee	Mackenzie	Rapp	Zimmerman
Freeman	Maher	Reed	
Gabler	Major	Reese	Turzai,
Gillen	Maloney	Regan	Speaker
Gillespie			

#### NAYS—74

Acosta	Dawkins	Harkins	Parker, C.
Barbin	Dean	Harris, J.	Pashinski



Bishop	Deasy	Kavulich	Petrarca
Bizzarro	DeLissio	Keller, W.	Readshaw
Boyle	Dermody	Kim	Roebuck
Bradford	Donatucci	Kinsey	Rozzi
Briggs	Driscoll	Kirkland	Sabatina
Brown, V.	Evans	Kortz	Sainato
Brownlee	Fabrizio	Longietti	Santarsiero
Burns	Farina	Mahoney	Schlossberg
Carroll	Flynn	Markosek	Schreiber
Cohen	Frankel	Matzie	Schweyer
Conklin	Gainey	McCarter	Sims
Costa, D.	Galloway	McNeill	Snyder
Costa, P.	Gergely	Miller, D.	Sturla
Cruz	Gibbons	Mullery	Thomas
Daley, M.	Goodman	Neuman	Wheatley
Davidson	Hanna	O'Brien	Youngblood
Davis	Harhai		

NOT VOTING—0

EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

The majority having voted in the affirmative, the question was determined in the affirmative and the amendment was declared germane.

On the question recurring,  
Will the House agree to the amendment?

The SPEAKER. We will now proceed back to the amendment, and I believe that our only two speakers – Representative Dush, actually, first, and then the floor leaders. Nobody else has requested to speak on the amendment.

So it will be Representative Dush and then the floor leaders, Representative Dermody and Representative Reed.

Sir, you may proceed.

Mr. DUSH. Thank you, Mr. Speaker.

Would the maker of the amendment be willing to stand for interrogation?

The SPEAKER. The good gentleman has indicated he is willing to stand for interrogation.

Mr. DUSH. Mr. Speaker, I understand that the impetus for bringing this to a floor vote today was that the gentleman from Allegheny County had proposed the spending portion of this bill – or of the Governor's plan. Is that correct?

Mr. GROVE. You cannot have additional spending without taxes, so we are offering what the tax package would be for that level of spending.

Mr. DUSH. And is it my understanding or recollection that the Governor said that if we are going to deal with this entire budget process, we need to deal with his plan holistically, including the tax increases as well as the spending? Is that not correct?

Mr. GROVE. You are correct. I spent 3 weeks in the Appropriations Committee. That is exactly what his Secretary has told us. This is a holistic plan and you need to take everything combined together. You are correct.

Mr. DUSH. Thank you.

Mr. Speaker, on the bill, please.

The SPEAKER. Representative Dush, you are recognized on the bill.

Mr. DUSH. Mr. Speaker, I was leaving today— I am sorry.

The SPEAKER. That is on the amendment.

Mr. DUSH. Yes.

The SPEAKER. You are recognized on the amendment.

Mr. DUSH. Mr. Speaker, I had asked to be excused and I was actually on my way home to my home district in Indiana County for a very important hearing this evening when I heard that the Representative from Allegheny County had initiated the process and that the Representative from York County was offering this amendment, and I had to turn around and come back.

The Governor made it very plain repeatedly that this bill has to be considered holistically. There is no excuse for not addressing the spending side of this thing prior to addressing— We have to address the revenue side before we get to the spending side. If you are going to spend money, you have to spend what you have made. We do not have it for the spending plan. The only way to get it is the way the Governor said to propose it.

I will be voting against the spending plan as well as the revenue plan, but I also want to touch on another Representative's comments regarding the severance tax as a portion of this.

We already have a severance tax; it is called a fee. Fees are backdoor taxes. No matter how you want to rephrase this thing, we already are paying a severance tax. It is just a matter of semantics about whether it is a fee or a tax. You are imposing it on the business owners and making them become revenue collectors and have to pay the price and pay the public burden on this thing, and then they pass it on to the taxpayers. Whether you call it a fee or a tax, we right now in Pennsylvania are raising, per thousand cubic feet, 10 times—

The SPEAKER. Excuse me; if the gentleman will please suspend. We are going to confine to the amendment here. And if you want to wrap up here, we would like to get to the floor leaders. Please.

Mr. DUSH. Yes, sir.

We are already generating 10 times the revenue. We do not need to add any further.

Thank you, Mr. Speaker.

The SPEAKER. Curtis Thomas, Representative Curtis Thomas, is recognized.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, would the maker of the amendment stand for interrogation?

The SPEAKER. The good gentleman has indicated he will stand for interrogation.

Mr. THOMAS. Thank you, Mr. Speaker.

Mr. Speaker, I have been around here for a good while now, and throughout my tenure I have heard this principle called pride of authorship, taking pride in what you put on the floor, and there has been a lot of struggle when folks have interfered with that pride of authorship.

And so what I would like to find out from you – because I have never seen a situation where the maker of an amendment stands up and says that I am going to vote "no" on it, but here it is – can you explain to me why would you author something that you do not support?

Mr. GROVE. Mr. Speaker, it is a question of fairness. The Governor's budget has not been introduced in this General Assembly as a bill number. It is June 1. It allows members to vote as they wish on the Governor's budget—

The SPEAKER. Would you please suspend, sir.

### POINT OF ORDER

The SPEAKER. At this time on a point of order, I recognize the majority leader.

Mr. REED. Thank you very much, Mr. Speaker.

The gentleman's question, however well-meaning, is a question of motive as opposed to substance, and I believe that is inappropriate under House rules.

The SPEAKER. Sir, if you mind, if you could interrogate on the amendment itself, we would appreciate that. Thank you very much.

Representative Thomas, on the amendment.

Mr. THOMAS. Well, if directly or by implication it appeared as though that I was getting at motive, I apologize, but you threw me when you stood up and said, "I'm authoring this, but I don't support it." Once you did that, you opened the door about my inquiry into why would you offer something, or what is this that you are offering that you do not support?

I have a lot of respect for you, and I would like to stand with you, but I cannot figure out why we have – what is this that you do not support?

The SPEAKER. The gentleman will please suspend, and the maker of the amendment, if you could please suspend.

Chairman, if you might, if you want to save that type of – what I would contend is an argument or a position for your remarks on the amendment itself, but it is not appropriate, I have to say, it is not appropriate for interrogation.

If you have any questions with respect to the substance of the bill, what the amendment contains that you do not know the answer to, that is appropriate, but that is the subject of interrogation. Anything with respect to, really, with respect to motivation is not appropriate for interrogation, and I am sorry, but I would not let this proceed at this time.

Mr. THOMAS. Mr. Speaker, my next question is, I think this is the first time that someone other than the majority or minority chair of the Appropriations Committee has offered either the budget or an amendment to the budget, and so my question is to the author of the amendment, is this something that the Appropriations chairmen, the majority chairman or the minority chairman, is in support of?

The SPEAKER. Sir, the purpose of interrogation is really to ask questions about the specifics of the amendment. I would direct that if you have a question for the gentleman on the specifics of the amendment, that is completely appropriate and you should ask it, but in terms of who supports or does not support, that is not a subject for interrogation.

Mr. THOMAS. Well, let me try this, Mr. Speaker.

Why are you opposed to the increase in Marcellus Shale tax? Why are you opposed to exemption on gun locks?

The SPEAKER. The good gentleman, Mr. Grove, said he will stand for that interrogation and may proceed.

Mr. GROVE. Thank you, Mr. Speaker.

The IFO report that was done – I am trying to find a date for you, Mr. Speaker – April 23, 2015. It highlights the entire tax proposal that we have in front of us, A00808. Everything from

the income tax increase, sales tax increase, sales tax expansion, cigarette taxes, you name it, it is in here. It also analyzes the severance tax, and I quote, "Despite significant property tax and rent relief, the low-income group realizes increases in tobacco and sales taxes, and modest increases in personal income and severance tax through higher utility prices." Unfortunately, most people think the severance tax is just on businesses, as in they pay the tax. That tax is passed on to the end user, our consumers, our constituents. That is who pays the severance tax.

As IFO analyzed, this entire package is a net tax increase on our Pennsylvania residents. That is why I oppose it.

Thank you, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, does that also mean that the Governor proposed increase in education, which has been a number one issue on the minds of voters, north, east, south, and west, are you opposed to the proposed increase in the amendment that would increase revenues for public schools all over the Commonwealth of Pennsylvania? Are you opposed to that?

Mr. GROVE. Thank you, Mr. Speaker.

This is not the general appropriations bill. There are no spending line items in here. As a matter of fact, even the severance tax dedicates no money to education at all; not one dollar goes to education in the Governor's proposed severance tax.

Mr. THOMAS. Well, that is why I raised the question because you mentioned about when the Governor proposed his budget to the General Assembly, and the Governor, to the best of my knowledge, said that some if not all of these increases will go toward an increase in public schools throughout the Commonwealth of Pennsylvania. And so maybe in this amendment, these increases reflect a commitment to increase the quality of education in public schools throughout Pennsylvania.

Mr. GROVE. The language provided in A00808 was provided for through the Office of the Budget's Web site, exactly as the Governor had requested his bills be introduced. They were combined into one and offered as this amendment. Specifically, there is no language in any of those bills for any of those tax increases that dedicate one single cent to education funding, not one.

However, the severance tax does dedicate \$8 million for county conservation funds, \$1.2 million for Pennsylvania Boat Commission, \$6.2 million for enforcement of acts relating to clean air and clean water, \$950,000 to PEMA (Pennsylvania Emergency Management Agency), \$950,000 to the Office of the State Fire Commissioner, \$2 million to PENNDOT for rail freight assistance, \$1.2 million to PUC (Public Utility Commission) for implementation, \$123,151,000 to counties and municipalities, \$9.6 million to Housing Affordability and Rehabilitation Fund, \$82 million to projects of statewide significance, \$10 million to DEP (Department of Environmental Protection) and to pay for a bond payment. Those are the dedicated amounts out of the severance tax and those are the exact same moneys that go to the current impact fee. So that is not new spending; that is impact fee.

I might also add that that total allocation is about \$280 million when you combine it with the \$55 million bonds. It is projected to bring in \$165 million this fiscal year, with a total cost of \$225 million for those line items I just totaled.

Unfortunately, there is no line in here that dedicates any money to education funding. The PIT, sales tax, severance tax, all of it is not dedicated at all for education funding.

Now, when we did the property tax bill, those increases—

Mr. THOMAS. Mr. Speaker—

Mr. GROVE. —were directly dedicated to property taxes within the language.

Mr. THOMAS. Mr. Speaker, my question was whether or not you support the dedicated items arising out of your proposed increase in the Marcellus Shale.

The SPEAKER. The gentleman, if you could please suspend.

First of all, with respect to interrogation, if a question is asked, just let the member come to their conclusion with respect to their answer, please.

And in addition, is there any other further interrogation that you request?

Mr. THOMAS. There is no further interrogation because it almost sounded as though he was taking my questions and sounded like he was now supporting this. I did not know what was going on. So I have concluded the interrogation.

The SPEAKER. At this point the interrogation is concluded. Representative Thomas, do you wish to be recognized on the amendment itself?

Mr. THOMAS. Yes, Mr. Speaker.

The SPEAKER. Representative Thomas, the floor is yours on the amendment.

Mr. THOMAS. Mr. Speaker, I just want the record to reflect that this is the first time in 20-plus years that I have seen a budget proposal authored by somebody who does not support the proposal and the proposal does not carry the fingerprints, eyelashes, or the name of the majority or minority Appropriations chair. Something is wrong here.

And at some point I would like to ask my colleagues on both sides, do not touch this, do not touch this, because this is bad news. If the author, if the author does not want to take responsibility for it and the majority and minority chairs of the Appropriations Committee are not supporting it, that should tell us all something. And one thing it is not is the Governor's proposal.

The SPEAKER. The only two speakers I have are Leader Dermody and Leader Reed, unless somebody else wishes to be recognized.

Leader Dermody.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, a few – I was going to say short minutes, but several minutes ago the Democratic chairman of the Appropriations Committee attempted to offer an amendment that would have given us an opportunity to discuss the budget, a substantive opportunity to discuss the budget priorities for the people of Pennsylvania.

We could have addressed the school funding cuts, the cuts to human services. We could have addressed jobs and economic development in the Commonwealth of Pennsylvania. That bill and amendment was removed from the screen, and what we get here and what we get now is a political stunt.

This amendment does not accurately reflect the Governor's proposal. It does nothing to move this process forward. The people of Pennsylvania expect us to negotiate a budget that reflects their priorities, and they have made it clear they care about education funding and human services and jobs and economic development. We know we need to raise the revenue to fix this problem. None of these issues take care of the

structural budget deficit and help move this Commonwealth forward.

I would never ask our Democratic Caucus to vote for a political stunt. Until we have a substantive discussion with all four caucuses and sit down and talk about our budget, how we are going to address the spending and the budget priorities of the people of the Commonwealth, we will vote "no" on a stunt. That is what this is. It is pure politics. It has nothing to do with the budget priorities of the people of this Commonwealth, and I ask all the members to vote "no."

Thank you, Mr. Speaker.

The SPEAKER. The majority leader, Dave Reed.

Mr. REED. Thank you very much, Mr. Speaker.

This is your opportunity, this is your opportunity, this is your opportunity to have that of which you have been crying for, not only the last 6 months, but the last 4 years. We are giving you what you asked for. We are giving you what the Governor has asked for. We took the draft exactly from the Governor's Office of this proposal.

And just to read a couple quotes from the administration, and I quote, "I think at the end of the day...both the Governor and" Budget "Secretary Albright have made clear that it's a comprehensive plan that you look at as a whole," responded DHS (Department of Human Services) Secretary Dallas. Quote, "What I want to stress here at this hearing, more than anything else, is this is a comprehensive budget plan, and one that's intended to move our state forward..." added Secretary Albright. A quote from Governor Wolf, "...it can't be the traditional cherry-pick this, take that out and that kind of thing. It has to be a holistic thing." From the Governor's spokesman, "You can't look at this as separate pieces. It's a holistic plan...."

This is the holistic plan. We did not draft this. We took it directly from the Governor's Office. He delivered the same draft to your office. We introduced it so we could consider it on this House floor. You have yet to do so.

And to talk about timing, the Governor's Chief of Staff made the quote on April 10 of this year, "Lawmakers have had everything since March 11. For every day legislation doesn't pass, school boards are deciding whether they have to raise taxes, people are missing out on property tax relief.... If the Legislature doesn't deliver, then they will have some explaining to do."

We are giving her what she requested – the Governor's budget bill, the Governor's Tax Code bill in a holistic fashion before this body for consideration. And I will go one step further. If this amendment passes and we prove that we have the revenue to pay for the Governor's general appropriations bill, we will immediately go back to the general appropriations bill and I will personally help get the votes to suspend the rules to put the Governor's spending plan into that proposal as well, but you have to put up the votes to pay for it first. We will not turn Harrisburg into Washington, DC. We will not spend money that does not exist.

And where does that concept come from? It had been alluded to earlier that that was just some figment of our imagination that is contained within the House rules. Well, it turns out that House rule was actually based upon the Constitution of Pennsylvania, and in fact, it is Article VIII, section 13, subsection (a): "Operating budget appropriations made by the General Assembly shall not exceed the actual and estimated revenues and surplus available in the same fiscal year." It is a constitutional mandate. It is not just a rule that sometimes we

follow and sometimes we do not follow. That is why we are not running trillion-dollar deficits like the United States government.

This is a serious process. This is not how I would have liked to have considered the first budget bill within my tenure as majority leader, but if we are going to be forced to vote on a spending plan that does not have any revenue attached to it, we are going to find out whether we have the revenue first. And if we do not, we are going to get about the serious business of determining how much revenue do we have, how much revenue are we willing to raise, and then decide how we are going to spend those dollars. We will be fiscally responsible in one form or another.

We are committed to funding the core functions of government, but we are going to be respectful of the taxpayers that we are going to get that money from, and we are not going to live in some fantasyland and make the people of Pennsylvania believe you can have A, B, C, and D, and guess what? You do not have to pay for it to get it.

If you are willing to put up a spending proposal, be willing to vote for the tax proposal to go with it, be intellectually honest with the debate before this body. Vote "no" on this proposal, and let us move forward with the budget process in this Commonwealth.

Thank you, Mr. Speaker.

On the question recurring,  
Will the House agree to the amendment?

The following roll call was recorded:

#### YEAS—0

#### NAYS—193

Acosta	Evankovich	Klunk	Readshaw
Adolph	Evans	Knowles	Reed
Baker	Everett	Kortz	Reese
Barbin	Fabrizio	Krieger	Regan
Barrar	Farina	Lewis	Roae
Benninghoff	Farry	Longietti	Roebuck
Bishop	Fee	Mackenzie	Ross
Bizzarro	Flynn	Maher	Rozzi
Bloom	Frankel	Mahoney	Sabatina
Boback	Freeman	Major	Saccone
Boyle	Gabler	Maloney	Sainato
Bradford	Gainey	Markosek	Samuelson
Briggs	Galloway	Marshall	Sankey
Brown, R.	Gergely	Masser	Santarsiero
Brown, V.	Gibbons	Matzie	Santora
Brownlee	Gillen	McCarter	Saylor
Burns	Gillespie	McGinnis	Schemel
Caltagirone	Gingrich	McNeill	Schlossberg
Carroll	Godshall	Mentzer	Schreiber
Causar	Goodman	Metcalfe	Schweyer
Christiana	Greiner	Metzgar	Simmons
Cohen	Grove	Miccarelli	Sims
Conklin	Hahn	Millard	Snyder
Corbin	Hanna	Miller, B.	Sonney
Costa, D.	Harhai	Miller, D.	Staats
Costa, P.	Harhart	Milne	Stephens
Cox	Harkins	Moul	Sturla
Cruz	Harper	Mullery	Tallman
Culver	Harris, A.	Murt	Taylor
Cutler	Harris, J.	Mustio	Thomas
Daley, M.	Heffley	Nesbit	Tobash
Davidson	Helm	Neuman	Toepel
Davis	Hennessey	O'Brien	Toohil

Dawkins	Hickernell	O'Neill	Topper
Day	Hill	Oberlander	Truitt
Dean	Irvin	Ortitay	Vitali
Deasy	James	Parker, C.	Ward
DeLissio	Jozwiak	Parker, D.	Warner
DeLozier	Kampf	Pashinski	Watson
Dermody	Kaufert	Payne	Wentling
Diamond	Kauffman	Peifer	Wheatley
DiGirolamo	Kavulich	Petrarca	Wheeland
Donatucci	Keller, F.	Petri	White
Driscoll	Keller, M.K.	Pickett	Youngblood
Dunbar	Keller, W.	Pyle	Zimmerman
Dush	Killion	Quigley	
Ellis	Kim	Quinn	Turzaï,
Emrick	Kinsey	Rader	Speaker
English	Kirkland	Rapp	

NOT VOTING—0

EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

Less than the majority having voted in the affirmative, the question was determined in the negative and the amendment was not agreed to.

On the question recurring,  
Will the House agree to the bill on second consideration?

BILL PASSED OVER

The SPEAKER. We will be going over HB 283 and back to HB 1192.

### CONSIDERATION OF HB 1192 CONTINUED

#### MOTION TO SUSPEND RULES CONTINUED

The SPEAKER. And we are on a motion from Representative Markosek on HB 1192, PN 1550. It is a motion to suspend with respect to amendment 1728.

On the question,  
Will the House agree to the motion?

The SPEAKER. On that motion, Representative Markosek.  
Mr. MARKOSEK. Thank you, Mr. Speaker.

Mr. Speaker, the bill that I was speaking about earlier relative to the Governor's budget, which you know, I had given my talk on why, why we should suspend the rules to do this particular amendment. I do not know that I need to reiterate all that.

This essentially provides us a budget, a budget that actually works. We will see again – as we just heard a long conversation about paying for all of this. That will come, that will come.

But this is a budget that I think steers Pennsylvania in the right direction. This puts Pennsylvania where we need to be. There are no gimmicks in this. This is not what we have in front of us in the underlying bill, which essentially is last year's budget, which we cannot afford, which we all know will not work, which we all know is underfunded, which we all know



has not worked now for about 4 years. That whole type of budgeting, if you want to call it that, has just simply not worked.

We have a Governor now that wants to actually bring Pennsylvania where it needs to be, to make some tough decisions, to be bold, to be courageous about the plan to move Pennsylvania forward, and to look at the value of programs rather than just the cost – which I think is a very important issue.

And I think that for those reasons, I want to suspend the rules to offer amendment 1728, and certainly move forward with a budget that really matters. I would appreciate a vote to suspend the rules.

Thank you, Mr. Speaker.

The SPEAKER. The leader is recognized on the motion to suspend the rules to allow 1728 to come up for a vote.

Mr. REED. Mr. Speaker, perhaps I am a little bit confused, but when somebody says this amendment contains no gimmicks in order to put forth a budget for the Commonwealth of Pennsylvania, I guess you can meet that criteria as long as you do not consider it a gimmick to propose spending without any revenue to go along with it. But it seems a little bit hypocritical to propose to spend billions upon billions upon billions of dollars after you just voted against the revenue needed to spend billions upon billions of dollars.

This is very simple. We are not going to move forward with a budget we do not have the money for. When we are able to work out an agreement on an appropriate revenue package for the Commonwealth of Pennsylvania, then we will pass a spending package that goes along with the revenue we actually had.

This is just smoke and mirrors meant to make the folks of Pennsylvania believe that they can have everything and they do not have to pay anything to get it. Folks are tired of that style of politics. It is time to have an intellectually honest debate, like the Governor – again, in fairness to him – proposed to do on March 2 about what you want to spend and what you are willing to pay for in order to meet that spend number.

This does not accomplish that, so I would respectfully ask the members to vote "no" on the motion to suspend the rules. Thank you.

On the question recurring,  
Will the House agree to the motion?

The following roll call was recorded:

#### YEAS–78

Acosta	Dawkins	Harkins	Pashinski
Barbin	Dean	Harris, J.	Petrarca
Bishop	Deasy	Kavulich	Readshaw
Bizzarro	DeLissio	Keller, W.	Roebuck
Boyle	Dermoddy	Kim	Rozzi
Bradford	Donatucci	Kinsey	Sabatina
Briggs	Driscoll	Kirkland	Sainato
Brown, V.	Evans	Kortz	Samuelson
Brownlee	Fabrizio	Longietti	Santarsiero
Burns	Farina	Mahoney	Schlossberg
Caltagirone	Flynn	Markosek	Schreiber
Carroll	Frankel	Matzie	Schweyer
Cohen	Freeman	McCarter	Sims
Conklin	Gainey	McNeill	Snyder
Costa, D.	Galloway	Miller, D.	Sturla
Costa, P.	Gergely	Mullery	Thomas

Cruz  
Daley, M.  
Davidson  
Davis

Gibbons  
Goodman  
Hanna  
Harhai

Neuman  
O'Brien  
Parker, C.

Vitali  
Wheatley  
Youngblood

#### NAYS–115

Adolph	Godshall	Marshall	Regan
Baker	Greiner	Masser	Roae
Barrar	Grove	McGinnis	Ross
Benninghoff	Hahn	Mentzer	Saccone
Bloom	Harhart	Metcalfe	Sankey
Boback	Harper	Metzgar	Santora
Brown, R.	Harris, A.	Miccarelli	Saylor
Causar	Heffley	Millard	Schemel
Christiana	Helm	Miller, B.	Simmons
Corbin	Hennessey	Milne	Sonney
Cox	Hickernell	Moul	Staats
Culver	Hill	Murt	Stephens
Cutler	Irvin	Mustio	Tallman
Day	James	Nesbit	Taylor
DeLozier	Jozwiak	O'Neill	Tobash
Diamond	Kampf	Oberlander	Toepel
DiGirolamo	Kaufer	Ortitay	Toohil
Dunbar	Kauffman	Parker, D.	Topper
Dush	Keller, F.	Payne	Truitt
Ellis	Keller, M.K.	Peifer	Ward
Emrick	Killion	Petri	Warner
English	Klunk	Pickett	Watson
Evankovich	Knowles	Pyle	Wentling
Everett	Krieger	Quigley	Wheeland
Farry	Lewis	Quinn	White
Fee	Mackenzie	Rader	Zimmerman
Gabler	Maher	Rapp	
Gillen	Major	Reed	Turzai,
Gillespie	Maloney	Reese	Speaker
Gingrich			

#### NOT VOTING–0

#### EXCUSED–8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

Less than a majority of the members required by the rules having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,  
Will the House agree to the bill on second consideration as amended?

#### MOTION TO SUSPEND RULES

The SPEAKER. Chairman Markosek, do you wish to move to suspend for amendment 1729, 1730, or 1731?

Mr. MARKOSEK. Yes, Mr. Speaker.

The SPEAKER. The gentleman is in order. Which do you move to suspend for?

Mr. MARKOSEK. Thank you, Mr. Speaker.

If I may, I would like to rise at this particular time to ask the members to support suspension of the rules so that I can offer my amendment, 1729.

I offer a motion to suspend the rules so that I can offer this amendment to provide support for several key job training, employment, and manufacturing initiatives. Specifically, I offer the motion to suspend to increase the Pennsylvania First

appropriations. One of the programs funded by the appropriations is the WEDnetPA (Workforce and Economic Development Network of Pennsylvania), which helps employers across the Commonwealth get the training they need to compete, grow, and succeed in our global economy. I offer a motion to suspend the rules to increase funding for industrial resource centers to support Pennsylvania manufacturing. I offer the motion to suspend the rules to increase funding for vocational rehabilitation, which leverage additional Federal dollars to help our citizens with disabilities get the supports they need to acquire and maintain employment. And I offer a motion to suspend the rules to increase funding for industry partnerships, which help groups of businesses and workers in the same industry address common incumbent workers' training and workforce development needs.

These are smart investments that the Commonwealth can make to help our workers and businesses. I ask all members to support a suspension of the rules to consider my amendment, 1729.

Thank you, Mr. Speaker.

The SPEAKER. The good gentleman from Allegheny County has moved to suspend so that a late-filed amendment, 1729, might be taken up for consideration.

On the question,

Will the House agree to the motion?

The SPEAKER. At this time the majority leader is recognized. Excuse me; I apologize.

At this time the minority leader is recognized and then the majority leader, and then we will proceed to vote.

Mr. DERMODY. Thank you, Mr. Speaker.

Mr. Speaker, we should suspend the rules because this amendment also reflects the budget priorities and the spending priorities of the people of the Commonwealth.

And if you want to talk about smoke and mirrors, we just had a revenue bill up there. You take one amendment to raise the revenue and then that amendment fails and you go over the bill, we go back to the original budget bill – and a budget bill that does not raise the revenue it needs, does not raise the revenue it takes to spend the money, does not raise the revenue that starts to address the structural budget deficit we face in the Commonwealth – and say it is the real thing.

This House bill is also a joke. This is a scam. This is smoke and mirrors. We need to suspend the rules so we can begin a substantive discussion of budget priorities of the people of this Commonwealth.

Thank you, Mr. Speaker.

The SPEAKER. The majority leader, Representative Reed, is recognized.

Mr. REED. Thank you very much, Mr. Speaker.

Two amendments in a row that provide no revenue but spend other people's money. One has to begin to question, why would we have late-filed amendments when folks had over a month to prepare amendments for this budget bill? Why would that come about?

It is a very simple answer. If you file your amendments on time, you have to have a revenue source. You have to either have additional revenue to add into the budget proposal or you have to cut from elsewhere in the budget to make up that

revenue. If you file the amendments late, you can have a discussion on suspending the rules, you can pretend like you can spend money that you do not have, you can say you voted for it with no responsibility to ever raise that revenue. Quite frankly, that is the status quo that the folks of Pennsylvania are tired of. It is a coward's way out.

Why would we not be honest with the people of Pennsylvania? If you are willing to spend the money, tell us where you are going to get it from. This is the second amendment that is looking to do so.

Again, let us be honest with the budget we want to put forth, let us be honest with the money we want to spend, and let us be honest with where that money is coming from. Vote "no" on the motion to suspend the rules. Thank you.

On the question recurring,

Will the House agree to the motion?

The following roll call was recorded:

#### YEAS—78

Acosta	Dawkins	Harkins	Pashinski
Barbin	Dean	Harris, J.	Petrarca
Bishop	Deasy	Kavulich	Readshaw
Bizzarro	DeLissio	Keller, W.	Roebuck
Boyle	Dermody	Kim	Rozzi
Bradford	Donatucci	Kinsey	Sabatina
Briggs	Driscoll	Kirkland	Sainato
Brown, V.	Evans	Kortz	Samuelson
Brownlee	Fabrizio	Longietti	Santarsiero
Burns	Farina	Mahoney	Schlossberg
Caltagirone	Flynn	Markosek	Schreiber
Carroll	Frankel	Matzie	Schweyer
Cohen	Freeman	McCarter	Sims
Conklin	Gainey	McNeill	Snyder
Costa, D.	Galloway	Miller, D.	Sturla
Costa, P.	Gergely	Mullery	Thomas
Cruz	Gibbons	Neuman	Vitali
Daley, M.	Goodman	O'Brien	Wheatley
Davidson	Hanna	Parker, C.	Youngblood
Davis	Harhai		

#### NAYS—115

Adolph	Godshall	Marshall	Regan
Baker	Greiner	Masser	Roae
Barrar	Grove	McGinnis	Ross
Benninghoff	Hahn	Mentzer	Saccone
Bloom	Harhart	Metcalfe	Sankey
Boback	Harper	Metzgar	Santora
Brown, R.	Harris, A.	Miccarelli	Saylor
Causar	Heffley	Millard	Schemel
Christiana	Helm	Miller, B.	Simmons
Corbin	Hennessey	Milne	Sonney
Cox	Hickernell	Moul	Staats
Culver	Hill	Murt	Stephens
Cutler	Irvin	Mustio	Tallman
Day	James	Nesbit	Taylor
DeLozier	Jozwiak	O'Neill	Tobash
Diamond	Kampf	Oberlander	Toepel
DiGirolamo	Kaufer	Ortitay	Toohil
Dunbar	Kauffman	Parker, D.	Topper
Dush	Keller, F.	Payne	Truitt
Ellis	Keller, M.K.	Peifer	Ward
Emrick	Killion	Petri	Warner
English	Klunk	Pickett	Watson
Evankovich	Knowles	Pyle	Wentling
Everett	Krieger	Quigley	Wheeland
Farry	Lewis	Quinn	White
Fee	Mackenzie	Rader	Zimmerman

Gabler	Maier	Rapp	
Gillen	Major	Reed	Turzai,
Gillespie	Maloney	Reese	Speaker
Gingrich			

## NOT VOTING—0

## EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

Less than a majority of the members required by the rules having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

**MOTION TO SUSPEND RULES**

The SPEAKER. Representative Markosek, do you seek to move to suspend the rules for amendment 1730?

Mr. MARKOSEK. Yes, Mr. Speaker.

I rise to ask the members to support a suspension of the rules for amendment 1730.

And I offer this motion to suspend the rules because last month this body passed, in a bipartisan manner, HB 504 to provide property tax relief through homestead and farmstead exemptions, as well as across the board millage reductions. I offer a motion to suspend the rules to appropriate the funds raised through that effort for property tax relief.

If we are serious about providing significant property tax relief, then we should appropriate the necessary funds. We have heard a lot about that here today.

I would ask all members to support a suspension of the rules to consider my amendment, 1730.

Thank you, Mr. Speaker.

On the question,

Will the House agree to the motion?

The SPEAKER. Representative Reed is recognized for remarks.

Mr. REED. Thank you very much, Mr. Speaker.

I will be completely honest, I am tempted to be for this amendment because property tax is an issue that is near and dear to my heart and many members of this body. Unfortunately though, this is not a necessary amendment to have in a general appropriations bill.

When we passed HB 504 a couple weeks ago, we actually created a restricted revenue account to house the dollars needed for the property tax relief we would be driving out, and I am actually fearful, if we put those line items in the budget, folks would be tempted to move that money to other areas of the budget when they wanted to increase spending later on in the years ahead. So I think that money is actually most appropriately put in a restricted account so that we know it is only used for property tax relief in the years ahead.

So I respectfully ask the members to vote "no" on the motion to suspend the rules. Thank you.

On the question recurring,  
Will the House agree to the motion?

The following roll call was recorded:

## YEAS—78

Acosta	Dawkins	Harkins	Pashinski
Barbin	Dean	Harris, J.	Petrarca
Bishop	Deasy	Kavulich	Readshaw
Bizzarro	DeLissio	Keller, W.	Roebuck
Boyle	Dermody	Kim	Rozzi
Bradford	Donatucci	Kinsey	Sabatina
Briggs	Driscoll	Kirkland	Sainato
Brown, V.	Evans	Kortz	Samuelson
Brownlee	Fabrizio	Longietti	Santarsiero
Burns	Farina	Mahoney	Schlossberg
Caltagirone	Flynn	Markosek	Schreiber
Carroll	Frankel	Matzie	Schweyer
Cohen	Freeman	McCarter	Sims
Conklin	Gainey	McNeill	Snyder
Costa, D.	Galloway	Miller, D.	Sturla
Costa, P.	Gergely	Mullery	Thomas
Cruz	Gibbons	Neuman	Vitali
Daley, M.	Goodman	O'Brien	Wheatley
Davidson	Hanna	Parker, C.	Youngblood
Davis	Harhai		

## NAYS—115

Adolph	Godshall	Marshall	Regan
Baker	Greiner	Masser	Roae
Barrar	Grove	McGinnis	Ross
Benninghoff	Hahn	Mentzer	Saccone
Bloom	Harhart	Metcalfe	Sankey
Boback	Harper	Metzgar	Santora
Brown, R.	Harris, A.	Miccarelli	Saylor
Causar	Heffley	Millard	Schemel
Christiana	Helm	Miller, B.	Simmons
Corbin	Hennessey	Milne	Sonney
Cox	Hickernell	Moul	Staats
Culver	Hill	Murt	Stephens
Cutler	Irvin	Mustio	Tallman
Day	James	Nesbit	Taylor
Delozier	Jozwiak	O'Neill	Tobash
Diamond	Kampf	Oberlander	Toepel
DiGirolamo	Kaufert	Ortitay	Toohil
Dunbar	Kauffman	Parker, D.	Topper
Dush	Keller, F.	Payne	Truitt
Ellis	Keller, M.K.	Peifer	Ward
Emrick	Killion	Petri	Warner
English	Klunk	Pickett	Watson
Evankovich	Knowles	Pyle	Wentling
Everett	Krieger	Quigley	Wheeland
Farry	Lewis	Quinn	White
Fee	Mackenzie	Rader	Zimmerman
Gabler	Maier	Rapp	
Gillen	Major	Reed	Turzai,
Gillespie	Maloney	Reese	Speaker
Gingrich			

## NOT VOTING—0

## EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

Less than a majority of the members required by the rules having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,  
Will the House agree to the bill on second consideration as amended?

### MOTION TO SUSPEND RULES

The SPEAKER. The good gentleman, Representative Markosek, is recognized. Do you seek to suspend the rules with respect to amendment 1731, sir?

Mr. MARKOSEK. Yes, Mr. Speaker.

This is the last one I have. I am asking the members to suspend the rules so that I can offer amendment 1731.

I offer this motion so that I can offer the amendment to meaningfully restore the previous administration's cuts to pre-K through 12 and higher education and invest in special education, early childhood education, and initiatives to prepare students for careers after high school. These are all issues that are near and dear to all of our hearts, and I know we have all gone home and said how much we want to increase these for our students in Pennsylvania.

More specifically, I offer a motion to suspend the rules to increase basic education spending by \$400 million, or 7 percent, which school districts have indicated they will use to maintain or expand early childhood education or pre-K and full-day kindergarten programs, reduce class sizes, and restore programs and personnel – such as guidance counselors and librarians – they were forced to eliminate as a result of massive State funding cuts under the last administration. I offer a motion to suspend the rules to increase special education funding by \$100 million, or nearly 10 percent. I offer a motion to suspend the rules to increase funding for early childhood education by a total of \$120 million, a \$100 million increase for Pre-K Counts and a \$20 million increase for Head Start Supplemental Assistance. I offer a motion to suspend the rules to include increases for initiatives to prepare students' careers after high school graduation. And I offer a motion to suspend the rules to increase total State appropriations for higher education by \$159 million, which would be the first meaningful increase for colleges and universities since State support was cut drastically in 2011 and 2012. The additional funding will allow the State System of Higher Education to freeze tuition for its students.

As a sidenote, I offer a motion to suspend the rules to set aside the State's contribution for school employees' pension system in a special restricted account to remove the temptation to use the money to balance the State budget in the future.

I ask all members to support a suspension of the rules to consider my amendment, 1731, to increase funding for pre-K through 12 and higher education.

Thank you, Mr. Speaker.

On the question,  
Will the House agree to the motion?

The SPEAKER. The Chair recognizes the majority leader on the motion to suspend.

Mr. REED. Thank you very much, Mr. Speaker.

Once again, proposed spending increases after voting down the revenue needed to fund those proposed spending increases. Increasing money for education and a host of other line items

are laudable goals. They are only real goals, though, if you are willing to say how you are going to raise the money necessary to pay for those goals.

It was very clear a couple moments ago that folks are not supportive of the Governor's tax package. We had that opportunity to have that discussion, have that debate, put it on the floor, as had been requested by the Governor's Office for many months. That package did not pass. We cannot spend the money associated with that package if we are not willing to come up with the revenue necessary to pay for it.

Hopefully, the discussions over the next 4 or 5 weeks will lead to a fruitful compromise that funds the core functions of government, takes care of creating an educational system that is in the best interest of all of our children going forward, and is respectful and is mindful of the taxpayers paying the bill for those systems as well.

This amendment is, again, just a smoke-and-mirrors approach to claiming you are for something right after you voted against it.

I would ask the members to vote "no" on the motion to suspend the rules. Thank you.

On the question recurring,  
Will the House agree to the motion?

The following roll call was recorded:

#### YEAS—78

Acosta	Dawkins	Harkins	Pashinski
Barbin	Dean	Harris, J.	Petrarca
Bishop	Deasy	Kavulich	Readshaw
Bizzarro	DeLissio	Keller, W.	Roebuck
Boyle	Dermody	Kim	Rozzi
Bradford	Donatucci	Kinsey	Sabatina
Briggs	Driscoll	Kirkland	Sainato
Brown, V.	Evans	Kortz	Samuelson
Brownlee	Fabrizio	Longietti	Santarsiero
Burns	Farina	Mahoney	Schlossberg
Caltagirone	Flynn	Markosek	Schreiber
Carroll	Frankel	Matzie	Schweyer
Cohen	Freeman	McCarter	Sims
Conklin	Gainey	McNeill	Snyder
Costa, D.	Galloway	Miller, D.	Sturla
Costa, P.	Gergely	Mullery	Thomas
Cruz	Gibbons	Neuman	Vitali
Daley, M.	Goodman	O'Brien	Wheatley
Davidson	Hanna	Parker, C.	Youngblood
Davis	Harhai		

#### NAYS—115

Adolph	Godshall	Marshall	Regan
Baker	Greiner	Masser	Roae
Barrar	Grove	McGinnis	Ross
Benninghoff	Hahn	Mentzer	Saccone
Bloom	Harhart	Metcalfe	Sankey
Boback	Harper	Metzgar	Santora
Brown, R.	Harris, A.	Miccarelli	Saylor
Causar	Heffley	Millard	Schemel
Christiana	Helm	Miller, B.	Simmons
Corbin	Hennessey	Milne	Sonney
Cox	Hickernell	Moul	Staats
Culver	Hill	Murt	Stephens
Cutler	Irvin	Mustio	Tallman
Day	James	Nesbit	Taylor
Delozier	Jozwiak	O'Neill	Tobash
Diamond	Kampf	Oberlander	Toepel



DiGirolamo	Kaufer	Ortitay	Toohil
Dunbar	Kauffman	Parker, D.	Topper
Dush	Keller, F.	Payne	Truitt
Ellis	Keller, M.K.	Peifer	Ward
Emrick	Killion	Petri	Warner
English	Klunk	Pickett	Watson
Evankovich	Knowles	Pyle	Wentling
Everett	Krieger	Quigley	Wheeland
Farry	Lewis	Quinn	White
Fee	Mackenzie	Rader	Zimmerman
Gabler	Maher	Rapp	
Gillen	Major	Reed	Turzai,
Gillespie	Maloney	Reese	Speaker
Gingrich			

NOT VOTING—0

EXCUSED—8

Daley, P.	Kotik	Marsico	Vereb
DeLuca	Lawrence	Ravenstahl	Waters

Less than a majority of the members required by the rules having voted in the affirmative, the question was determined in the negative and the motion was not agreed to.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

The SPEAKER. There are no other amendments being offered to HB 1192.

On the question recurring,

Will the House agree to the bill on second consideration as amended?

Bill as amended was agreed to.

The SPEAKER. The bill as amended will be reprinted.

There are no further bills in front of the House. There are two announcements.

### RESIGNATION OF MEMBER

The SPEAKER. First and foremost, we are in receipt of a letter today.

The following letter was submitted for the record:

House of Representatives  
Commonwealth of Pennsylvania  
Harrisburg

June 1, 2015

The Honorable Mike Turzai, Speaker  
PA House of Representatives  
139 Main Capitol  
PO Box 202028  
Harrisburg, PA 17120-2028

Dear Speaker Turzai:

Please accept this letter as my formal notice of resignation as State Representative of the 191st Legislative District. My resignation is effective today, June 1, 2015.

Sincerely,  
Ronald G. Waters

### LOCAL GOVERNMENT COMMITTEE MEETING

The SPEAKER. Representative Harper is recognized for a committee announcement.

Ms. HARPER. Thank you, Mr. Speaker.

The House Local Government Committee will meet tomorrow, Tuesday, in G-50 at the conclusion of session. An e-mail notice was sent, so everybody that is interested in the House Local Government, please pay attention. Thank you.

The SPEAKER. The House Local Government Committee will meet tomorrow, Tuesday, in G-50 at the conclusion of session.

### VOTE CORRECTION

The SPEAKER. Representative Julie Harhart is recognized for a committee announcement.

Mrs. HARHART. No, Mr. Speaker.

I would like to be recorded as a "no" vote on HB 823.

The SPEAKER. That will be reflected in the record. I do apologize. I thought you were standing as Professional Licensure chair. I apologize.

Mrs. HARHART. That is okay. Thank you.

### BILLS RECOMMITTED

The SPEAKER. The Speaker recognizes the majority leader, who moves that the following bills be recommitted to the Committee on Appropriations:

HB 175;  
HB 579;  
HB 792;  
HB 806;  
HB 1192; and  
SB 293.

On the question,

Will the House agree to the motion?

Motion was agreed to.

### BILLS REMOVED FROM TABLE

The SPEAKER. The Speaker recognizes the majority leader, who moves that the following bills be removed from the tabled calendar and placed on the active calendar:

HB 31;  
HB 337;  
HB 339;  
HB 398;

HB 824;  
HB 854; and  
HB 1071.

On the question,  
Will the House agree to the motion?  
Motion was agreed to.

### **BILLS AND RESOLUTIONS PASSED OVER**

The SPEAKER. Without objection, all remaining bills and resolutions on today's calendar will be passed over. The Chair hears no objection.

### **ADJOURNMENT**

The SPEAKER. Representative Everett moves that the House will be adjourned until Tuesday, June 2, 2015, at 11 a.m., e.d.t., unless sooner recalled by the Speaker.

On the question,  
Will the House agree to the motion?  
Motion was agreed to, and at 5:12 p.m., e.d.t., the House adjourned.