

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1507 Session of  
1977

INTRODUCED BY BELLOMINI, DININNI AND WILSON, JULY 19, 1977

REFERRED TO COMMITTEE ON FINANCE, JULY 19, 1977

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," providing for a certain election of tax relating  
11 to aircraft.

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

14 Section 1. Section 201, act of March 4, 1971 (P.L.6, No.2),  
15 known as the "Tax Reform Code of 1971," is amended by adding a  
16 subsection to read:

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

21 \* \* \*

22 (s) "Commercial aircraft operator." A person, excluding  
23 scheduled airlines, who engages in any or all of the following:

1 charter of aircraft, leasing of aircraft, aircraft sales,  
2 aircraft rental, flight instruction, air freight or any other  
3 flight activities for compensation.

4 Section 2. Section 205 of the act if amended to read:

5 Section 205. Alternate Imposition of Tax; Credits.--(a) If  
6 any person actively and principally engaged in the business of  
7 selling new or used motor vehicles, trailers or semi-trailers,  
8 and registered with the department in the "dealer's class,"  
9 acquires a motor vehicle, trailer or semi-trailer for the  
10 purpose of resale, and prior to such resale, uses the motor  
11 vehicle, trailer or semi-trailer for a taxable use under this  
12 act during a period not exceeding one year from the date of  
13 acquisition to the date of resale, such person may, upon notice  
14 to the department within ten days of the commencement of such  
15 use, elect to pay a tax equal to six per cent of the fair rental  
16 value of the motor vehicle, trailer or semi-trailer during such  
17 use. Should such motor vehicle, trailer or semi-trailer be used  
18 for a taxable use after a period of one year, the taxpayer shall  
19 be liable for a tax on the fair market value of such motor  
20 vehicle, trailer or semi-trailer at the time of acquisition, but  
21 shall be allowed a credit equal to the tax paid pursuant to the  
22 election provided for in this section. This section shall not  
23 apply to the use of a vehicle as a wrecker, parts truck,  
24 delivery truck or courtesy car.

25 (b) A commercial aircraft operator who acquires an aircraft  
26 for the purpose of resale, or lease, or is entitled to claim  
27 another valid exemption at the time of purchase, and subsequent  
28 to such purchase, periodically uses the same aircraft for a  
29 taxable use under this act, may elect to pay a tax equal to six  
30 per cent of the fair rental value of the aircraft during such

1 use.

2       Section 3.   This act shall take effect in 60 days.