

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2447 Session of
1978

INTRODUCED BY FREIND, ANDERSON, CIMINI, MRKONIC, SCHEAFFER,
W. W. FOSTER, REED, MORRIS, BROWN, MADIGAN, POLITE, ZEARFOSS,
POTT, STAIRS, ZELLER, TRELLO, NOYE, GIAMMARCO, LETTERMAN,
CALTAGIRONE, SIRIANNI, E. Z. TAYLOR, HONAMAN, WENGER,
SCIRICA, SPITZ, RYAN, E. H. SMITH, PETERSON, D. S. HAYES,
LYNCH, MANMILLER, YAHNER, HARPER AND L. E. SMITH,
APRIL 19, 1978

REFERRED TO COMMITTEE ON FINANCE, APRIL 19, 1978

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," changing exclusions from the sales tax for
11 charitable, firemen's, educational or religious
12 organizations.

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

15 Section 1. Clause (10) of section 204, act of March 4, 1971
16 (P.L.6, No.2), known as the "Tax Reform Code of 1971," is
17 amended to read:

18 Section 204. Exclusions from Tax.--The tax imposed by
19 section 202 shall not be imposed upon

20 * * *

1 (10) The sale at retail by or to, or use by (i) any
2 charitable organization, volunteer firemen's organization or
3 nonprofit educational institution, or (ii) a religious
4 organization for religious purposes of tangible personal
5 property or services[: Provided, however, That the exclusion of
6 this clause shall not apply with respect to any tangible
7 personal property or services used in any unrelated trade or
8 business carried on by such organization or institution or with
9 respect to any materials, supplies and equipment used in the
10 construction, reconstruction, remodeling, repairs and
11 maintenance of any real estate, except materials and supplies
12 when purchased by such organizations or institutions for routine
13 maintenance and repairs.] : Provided, however, That no member or
14 employe of any such organization or institution shall derive any
15 personal benefit from this exemption by means of purchasing
16 tangible personal property from or through said organization
17 except where such sale is made pursuant to fund raising
18 activities of the exempt organization wherein all proceeds
19 derived therefrom are applied to the purpose for which the
20 organization or institution was created. Violation of this
21 clause shall subject the organization or institution to
22 suspension of its exemption for a period of one year; any
23 individual deriving prohibited personal benefit shall be subject
24 to pay to the department, three times the amount of sales tax
25 that would have been due on the original sale.

26 * * *

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