

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 79

Session of  
1981

INTRODUCED BY FREIND, JANUARY 19, 1981

REFERRED TO COMMITTEE ON FINANCE, JANUARY 19, 1981

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 \* \* \*

21 (10) The sale at retail by or to, or use by (i) any  
22 charitable organization, volunteer firemen's organization or

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

24 \* \* \*

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