

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 536

Session of
1983

INTRODUCED BY LAUGHLIN, BURNS, MANDERINO, ALDERETTE, LESCOVITZ,
F. E. TAYLOR, SWEET, COLAFELLA, PISTELLA, COWELL, PRESTON,
GAMBLE, MICHLOVIC, VAN HORNE, TRELLO, McVERRY AND KUKOVICH,
MARCH 22, 1983

REFERRED TO COMMITTEE ON FINANCE, MARCH 22, 1983

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," granting certain credits for gross receipts tax
11 payments to other states.

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

14 Section 1. Section 1101(b) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
16 December 11, 1979 (P.L.499, No.107), is amended to read:

17 Section 1101. Imposition of Tax.--* * *

18 (b) Electric Light, Waterpower and Hydro-electric
19 Utilities.--(1) Every electric light company, waterpower
20 company and hydro-electric company now or hereafter incorporated
21 or organized by or under any law of this Commonwealth, or now or

1 hereafter organized or incorporated by any other state or by the
2 United States or any foreign government and doing business in
3 this Commonwealth, and every limited partnership, association,
4 joint-stock association, copartnership, person or persons,
5 engaged in electric light and power business, waterpower
6 business and hydro-electric business in this Commonwealth, shall
7 pay to the State Treasurer, through the Department of Revenue, a
8 tax of forty-five mills upon each dollar of the gross receipts
9 of the corporation, company or association, limited partnership,
10 joint-stock association, copartnership, person or persons,
11 received from:

12 [(1)] (i) the sales of electric energy within this State,
13 except gross receipts derived from the sales for resale of
14 electric energy to persons, partnerships, associations,
15 corporations or political subdivisions subject to the tax
16 imposed by this subsection upon gross receipts derived from such
17 resale; and

18 [(2)] (ii) the sales of electric energy produced in
19 Pennsylvania and made outside of Pennsylvania in a state that
20 has taken action since December 21, 1977 which results in higher
21 costs for electric energy produced in that state and sold in
22 Pennsylvania unless the action that was taken after December 21,
23 1977 is rescinded according to the following apportionment
24 formula: except for gross receipts derived from sales under
25 [clause (1)] subclause (i), the gross receipts from all sales of
26 electricity of the producer shall be apportioned to the
27 Commonwealth of Pennsylvania by the ratio of the producer's
28 operating and maintenance expenses in Pennsylvania and
29 depreciation attributable to property in Pennsylvania to the
30 producer's total operating and maintenance expenses and

1 depreciation.

2 (2) A corporation, company or association, limited
3 partnership, joint-stock association, copartnership, person or
4 persons which purchases electric energy produced in a state
5 other than Pennsylvania for sale within Pennsylvania shall
6 receive a credit against the tax imposed by this act equal to
7 the amount of any taxes computed upon the gross proceeds of its
8 purchase of electric energy, paid or payable to such other state
9 by any person or the manufacturer of the electricity.

10 * * *

11 Section 2. This act shall take effect in 30 days.