

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 21, 1983

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, SEPTEMBER 19, 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," PROVIDING FOR AN EXEMPTION FROM THE UTILITIES' <—
11 GROSS RECEIPTS TAX; AND granting certain credits for gross
12 receipts tax payments to other states.

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

15 Section 1. Section ~~1101(b)~~ 1101(A) AND (B) of the act of <—
16 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
17 1971, amended December 11, 1979 (P.L.499, No.107), is amended to
18 read:

19 Section 1101. Imposition of Tax.--~~***~~ (A) GENERAL RULE.-- <—
20 EVERY RAILROAD COMPANY, PIPELINE COMPANY, CONDUIT COMPANY,
21 STEAMBOAT COMPANY, CANAL COMPANY, SLACK WATER NAVIGATION

1 COMPANY, TRANSPORTATION COMPANY, EXCEPT A NONSCHEDULED AIR
2 CARRIER OF FREIGHT OR PASSENGERS, AND EVERY OTHER COMPANY,
3 ASSOCIATION, JOINT-STOCK ASSOCIATION, OR LIMITED PARTNERSHIP,
4 NOW OR HEREAFTER INCORPORATED OR ORGANIZED BY OR UNDER ANY LAW
5 OF THIS COMMONWEALTH, OR NOW OR HEREAFTER ORGANIZED OR
6 INCORPORATED BY ANY OTHER STATE OR BY THE UNITED STATES OR ANY
7 FOREIGN GOVERNMENT, AND DOING BUSINESS IN THIS COMMONWEALTH, AND
8 EVERY COPARTNERSHIP, PERSON OR PERSONS OWNING, OPERATING OR
9 LEASING TO OR FROM ANOTHER CORPORATION, COMPANY, ASSOCIATION,
10 JOINT-STOCK ASSOCIATION, LIMITED PARTNERSHIP, COPARTNERSHIP,
11 PERSON OR PERSONS, ANY RAILROAD, PIPELINE, CONDUIT, STEAMBOAT,
12 CANAL, SLACK WATER NAVIGATION, OR OTHER DEVICE FOR THE
13 TRANSPORTATION OF FREIGHT, PASSENGERS, BAGGAGE, OR OIL, EXCEPT
14 TAXICABS, MOTOR BUSES AND MOTOR OMNIBUSES, AND EVERY LIMITED
15 PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, CORPORATION
16 OR COMPANY ENGAGED IN, OR HEREAFTER ENGAGED IN, THE
17 TRANSPORTATION OF FREIGHT OR OIL WITHIN THIS STATE, AND EVERY
18 TELEPHONE COMPANY, TELEGRAPH COMPANY, EXPRESS COMPANY, GAS
19 COMPANY, PALACE CAR COMPANY AND SLEEPING CAR COMPANY, NOW OR
20 HEREAFTER INCORPORATED OR ORGANIZED BY OR UNDER ANY LAW OF THIS
21 COMMONWEALTH, OR NOW OR HEREAFTER ORGANIZED OR INCORPORATED BY
22 ANY OTHER STATE OR BY THE UNITED STATES OR ANY FOREIGN
23 GOVERNMENT AND DOING BUSINESS IN THIS COMMONWEALTH, AND EVERY
24 LIMITED PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION,
25 COPARTNERSHIP, PERSON OR PERSONS, ENGAGED IN TELEPHONE,
26 TELEGRAPH, EXPRESS, GAS, PALACE CAR OR SLEEPING CAR BUSINESS IN
27 THIS COMMONWEALTH, SHALL PAY TO THE STATE TREASURER, THROUGH THE
28 DEPARTMENT OF REVENUE, A TAX OF FORTY-FIVE MILLS UPON EACH
29 DOLLAR OF THE GROSS RECEIPTS OF THE CORPORATION, COMPANY OR
30 ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK ASSOCIATION,

1 COPARTNERSHIP, PERSON OR PERSONS, RECEIVED FROM PASSENGERS,
2 BAGGAGE, AND FREIGHT TRANSPORTED WHOLLY WITHIN THIS STATE, FROM
3 TELEGRAPH OR TELEPHONE MESSAGES TRANSMITTED WHOLLY WITHIN THIS
4 STATE, FROM EXPRESS, PALACE CAR OR SLEEPING CAR BUSINESS DONE
5 WHOLLY WITHIN THIS STATE, OR FROM THE SALES OF GAS, EXCEPT GROSS
6 RECEIPTS DERIVED FROM SALES TO ANY MUNICIPALITY OWNED OR
7 OPERATED PUBLIC UTILITY AND EXCEPT GROSS RECEIPTS DERIVED FROM
8 THE SALES FOR RESALE, TO PERSONS, PARTNERSHIPS, ASSOCIATIONS,
9 CORPORATIONS OR POLITICAL SUBDIVISIONS SUBJECT TO THE TAX
10 IMPOSED BY THIS ACT UPON GROSS RECEIPTS DERIVED FROM SUCH RESALE
11 AND FROM THE TRANSPORTATION OF OIL DONE WHOLLY WITHIN THIS
12 STATE. THE GROSS RECEIPTS OF GAS COMPANIES SHALL INCLUDE THE
13 GROSS RECEIPTS FROM THE SALE OF ARTIFICIAL AND NATURAL GAS, BUT
14 SHALL NOT INCLUDE GROSS RECEIPTS FROM THE SALE OF LIQUEFIED
15 PETROLEUM GAS.

16 (b) Electric Light, Waterpower and Hydro-electric
17 Utilities.--(1) Every electric light company, waterpower
18 company and hydro-electric company now or hereafter incorporated
19 or organized by or under any law of this Commonwealth, or now or
20 hereafter organized or incorporated by any other state or by the
21 United States or any foreign government and doing business in
22 this Commonwealth, and every limited partnership, association,
23 joint-stock association, copartnership, person or persons,
24 engaged in electric light and power business, waterpower
25 business and hydro-electric business in this Commonwealth, shall
26 pay to the State Treasurer, through the Department of Revenue, a
27 tax of forty-five mills upon each dollar of the gross receipts
28 of the corporation, company or association, limited partnership,
29 joint-stock association, copartnership, person or persons,
30 received from:

1 [(1)] (i) the sales of electric energy within this State,
2 except gross receipts derived from the sales for resale of
3 electric energy to persons, partnerships, associations,
4 corporations or political subdivisions subject to the tax
5 imposed by this subsection upon gross receipts derived from such
6 resale; and

7 [(2)] (ii) the sales of electric energy produced in
8 Pennsylvania and made outside of Pennsylvania in a state that
9 has taken action since December 21, 1977 which results in higher
10 costs for electric energy produced in that state and sold in
11 Pennsylvania unless the action that was taken after December 21,
12 1977 is rescinded according to the following apportionment
13 formula: except for gross receipts derived from sales under
14 [clause (1)] subclause (i), the gross receipts from all sales of
15 electricity of the producer shall be apportioned to the
16 Commonwealth of Pennsylvania by the ratio of the producer's
17 operating and maintenance expenses in Pennsylvania and
18 depreciation attributable to property in Pennsylvania to the
19 producer's total operating and maintenance expenses and
20 depreciation.

21 ~~(2) A corporation, company or association, limited~~ <—
22 ~~partnership, joint stock association, copartnership, person or~~
23 ~~persons which purchases electric energy produced in a state~~
24 ~~other than Pennsylvania for sale within Pennsylvania shall~~
25 ~~receive a credit against the tax imposed by this act equal to~~
26 ~~the amount of any taxes computed upon the gross proceeds of its~~
27 ~~purchase of electric energy, paid or payable to such other state~~
28 ~~by any person or the manufacturer of the electricity.~~

29 (2) A CORPORATION, COMPANY OR ASSOCIATION, LIMITED <—
30 PARTNERSHIP, JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR

1 PERSONS WHICH PURCHASES ELECTRIC ENERGY PRODUCED IN A STATE
2 OTHER THAN PENNSYLVANIA FOR SALE WITHIN PENNSYLVANIA SHALL
3 RECEIVE A CREDIT AGAINST THE TAX IMPOSED BY THIS ACT EQUAL TO
4 THE AMOUNT OF ANY TAXES COMPUTED UPON THE VALUE OF ELECTRICITY
5 MANUFACTURED, PAID OR PAYABLE TO SUCH OTHER STATES BY ANY PERSON
6 OR THE MANUFACTURER OF THE ELECTRICITY.

7 * * *

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