

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1902 Session of
1997

INTRODUCED BY MAYERNIK, WILT, WAUGH, OLASZ, HESS, PETRARCA,
READSHAW, LEVDANSKY, KENNEY, LUCYK, STABACK, SCRIMENTI,
CURRY, BENNINGHOFF, TRAVAGLIO, DRUCE, MILLER, WALKO,
E. Z. TAYLOR, C. WILLIAMS, STEELMAN, EGOLF, RAMOS,
YOUNGBLOOD, L. I. COHEN, SERAFINI, ITKIN, DeLUCA, RUBLEY,
GEIST, HENNESSEY, BELARDI, MARKOSEK, B. SMITH, MANDERINO,
LEDERER, SATHER, ORIE, LAUGHLIN, BOSCOLA, ROONEY AND TIGUE,
OCTOBER 8, 1997

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 8, 1997

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," further providing for the definition of "Purchase
11 price"; and providing for the calculation of tax on purchase
12 prices involving discounts.

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

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

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

1 clearly indicates a different meaning:

2 * * *

3 (g) "Purchase price."

4 * * *

5 (1.1) There shall be deducted from the purchase price the
6 value of any discount taken at the time of sale. For purposes of
7 this clause, a discount shall be the amount that represents an
8 on-the-spot cash discount, employe discount, volume discount,
9 store discount, "buy one, get one free" offer, wholesaler's or
10 trade discount, rebate or store coupon or manufacturer's coupon.
11 An amount representing a discount allowed for prompt payment of
12 a bill, dependent on an event that may occur after completion of
13 the sale, shall not be a discount under this clause.

14 * * *

15 Section 2. The act is amended by adding a section to read:

16 Section 203.1. Purchase Prices Involving Discounts.--(a) If
17 a sale at retail of tangible personal property includes a
18 discount, the invoice or cash register tape for the sale shall
19 describe both the discount and the item of tangible personal
20 property to which it relates.

21 (b) The discount shall be deducted from the purchase price
22 to establish a new purchase price, and the amount of tax imposed
23 by section 202 of this article shall be computed on the new
24 purchase price in accordance with section 203 of this article.

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