

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**

**No. 866**      Session of  
2001

INTRODUCED BY GODSHALL, SAYLOR, BIRMELIN, KENNEY, MARSICO,  
HALUSKA, ROBINSON, LEDERER, LEH, WILT, ZIMMERMAN, BELFANTI,  
BLAUM, CREIGHTON, DALEY, GEIST, HORSEY, HUTCHINSON, LAUGHLIN,  
MARKOSEK, STABACK, ZUG AND MAJOR, MARCH 8, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 8, 2001

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),  
2 entitled "An act empowering cities of the second class,  
3 cities of the second class A, cities of the third class,  
4 boroughs, towns, townships of the first class, townships of  
5 the second class, school districts of the second class,  
6 school districts of the third class and school districts of  
7 the fourth class including independent school districts, to  
8 levy, assess, collect or to provide for the levying,  
9 assessment and collection of certain taxes subject to maximum  
10 limitations for general revenue purposes; authorizing the  
11 establishment of bureaus and the appointment and compensation  
12 of officers, agencies and employes to assess and collect such  
13 taxes; providing for joint collection of certain taxes,  
14 prescribing certain definitions and other provisions for  
15 taxes levied and assessed upon earned income, providing for  
16 annual audits and for collection of delinquent taxes, and  
17 permitting and requiring penalties to be imposed and  
18 enforced, including penalties for disclosure of confidential  
19 information, providing an appeal from the ordinance or  
20 resolution levying such taxes to the court of quarter  
21 sessions and to the Supreme Court and Superior Court,"  
22 further providing for limitations on rates of specific taxes;  
23 and providing for special limitation on rates of taxes for  
24 certain amusements.

25 The General Assembly of the Commonwealth of Pennsylvania  
26 hereby enacts as follows:

27 Section 1. Section 8 introductory paragraph, (6), (9), (10)  
28 and (11) of the act of December 31, 1965 (P.L.1257, No.511),

1 known as The Local Tax Enabling Act, amended or added October  
2 11, 1984 (P.L.885, No.172) and July 9, 1987 (P.L.203, No.30),  
3 are amended and the section is amended by adding a clause to  
4 read:

5 Section 8. Limitations on Rates of Specific Taxes.--No taxes  
6 levied under the provisions of this act or 53 Pa.C.S. § 8402(c)  
7 (relating to scope and limitations) shall be levied by any  
8 political subdivision on the following subjects exceeding the  
9 rates specified in this section:

10 \* \* \*

11 (6) On admissions to places of amusement, athletic events  
12 and the like, and on motion picture theatres in cities of the  
13 second class, ten percent in cities of the second class and in  
14 all other political subdivisions the rates specified in section  
15 8.1.

16 \* \* \*

17 (9) On admissions to ski facilities, ten percent in cities  
18 of the second class and in all other political subdivisions the  
19 rates specified in section 8.1. The tax base upon which the tax  
20 shall be levied shall not exceed forty percent of the cost of  
21 the lift ticket. The lift ticket shall include all costs of  
22 admissions to the ski facility.

23 (10) On admissions to golf courses, ten percent in cities of  
24 the second class and in all other political subdivisions the  
25 rates specified in section 8.1. The tax base upon which the tax  
26 shall be levied shall not exceed forty percent of the greens  
27 fee. The greens fee shall include all costs of admissions to the  
28 golf course.

29 (11) On admissions to bowling alleys or bowling lanes, ten  
30 percent in cities of the second class and in all other political

1 subdivisions the rates specified in section 8.1. The tax base  
2 upon which the tax shall be levied shall not exceed forty  
3 percent of the charge imposed upon a patron for the sale of  
4 admission to or the privilege of admission to a bowling alley or  
5 bowling lane to engage in one or more games of bowling.

6 (12) On admissions to automobile racing facilities, ten  
7 percent in cities of the second class and in all other political  
8 subdivisions the rates specified in section 8.1. The tax base  
9 upon which the tax shall be levied shall not exceed forty  
10 percent of the cost of admission to an automobile racing  
11 facility.

12 \* \* \*

13 Section 2. The act is amended by adding sections to read:

14 Section 8.1. Special Limitations on Rates of Taxes for  
15 Certain Amusements.--(a) (1) A municipality that levies,  
16 assesses and collects an amusement or admissions tax under this  
17 act and in conformity with 53 Pa.C.S. § 8402(c) (relating to  
18 scope and limitations) for the activities set forth in section  
19 8(6), (9), (10), (11) and (12) on or before the effective date  
20 of this section may levy, assess and collect that tax at a rate  
21 not to exceed four percent subject to the reduction period  
22 provided for in clause (2).

23 (2) A municipality that is subject to clause (1) and that  
24 collects a rate of tax in excess of the amount provided for in  
25 clause (1) on the effective date of this section shall reduce  
26 that rate to the rate provided for in clause (1) over a period  
27 of four years beginning January 1, 2002, in equal annual  
28 increments.

29 (b) A municipality that:

30 (1) does not levy, assess and collect an amusement or

1 admissions tax under this act and in conformity with 53 Pa.C.S.  
2 § 8402(c) for the activities set forth in section 8(6), (9),  
3 (10), (11) and (12) on or before the effective date of this  
4 section; and

5 (2) enacts an ordinance to levy, assess and collect such tax  
6 after the effective date of this section in accordance with law;  
7 may levy, assess and collect that tax at a rate not to exceed  
8 four percent.

9 (c) (1) Subject to the provisions of clauses (2) and (3), a  
10 school district shall have no authority to levy an amusement or  
11 admissions tax after June 30, 1997.

12 (2) A school district that levies, assesses and collects an  
13 amusement or admissions tax under this act in conformity with 53  
14 Pa.C.S. § 8402(c), on or before June 30, 1997, may levy, assess  
15 and collect that tax for a period of four years from July 1,  
16 2002, subject to the reductions under clause (3) of this  
17 subsection.

18 (3) Any school district which levies, assesses and collects  
19 an amusement or admissions tax under clause (2) shall phase out  
20 that tax over a four-year period beginning July 1, 2002, by  
21 reducing the rate of tax in equal installments.

22 (4) Nothing in this section shall be construed to authorize  
23 a school district to collect an aggregate sum of amusement or  
24 admissions taxes in excess of the amount collected by the school  
25 district for the fiscal year ending in 1997.

26 (d) This section shall not apply to a city of the second  
27 class.

28 Section 8.2. Reimbursement For Customary and Ordinary  
29 Expenses.--(a) A municipality that levies an amusement or  
30 admissions tax pursuant to this act may request and collect

1 reimbursement from the owner or operator of a facility under a  
2 duty to collect or remit an amusement or admissions tax if the  
3 cost of the customary and ordinary services that are provided by  
4 the municipality and that are directly associated with the  
5 operation of that facility are not offset by the amount of all  
6 local taxes collected with respect to the ownership and  
7 operation of that facility.

8 (b) The amount of reimbursement collected by the  
9 municipality shall not exceed the cost of the customary and  
10 ordinary services provided by the municipality, reduced by the  
11 amount of all local taxes collected from the owner or operator  
12 of the facility. The services for which the municipality may  
13 collect reimbursement shall be limited to the customary and  
14 ordinary services that are directly resulting from the operation  
15 of that facility within the fiscal year. The local taxes  
16 collected from the owner or operator of the facility shall be  
17 the taxes collected within the fiscal year by or on behalf of  
18 the municipality from the owner or operator of that facility  
19 with respect to the ownership and operation of that facility.  
20 Prior to collecting any reimbursement, the municipality shall  
21 provide to the owner or operator of the facility a list of the  
22 customary and ordinary services for which reimbursement is  
23 claimed, an estimate of the cost of those services and a listing  
24 by type of the amount of local taxes collected with respect to  
25 the ownership and operation of that facility.

26 (c) Any dispute regarding the amount of reimbursement to be  
27 collected under this section shall be resolved by filing a  
28 petition for adjudication in the court of common pleas in the  
29 judicial district in which the facility is located.

30 Section 3. This act shall apply as follows:

1           (1) The addition of section 8(12) of the act shall apply  
2 to the tax years beginning on or after January 1, 2002.

3           (2) The amendment or addition of sections 8(6), (9),  
4 (10) and (11) and 8.1 and 8.2 of the act shall apply to the  
5 tax years beginning on or after January 1, 2002.

6 Section 4. This act shall take effect immediately.