

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1023 Session of  
2001

INTRODUCED BY CONTI, JUNE 27, 2001

REFERRED TO FINANCE, JUNE 27, 2001

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 incidence and rate of tax;  
11 providing for additional floor tax; and further providing for  
12 disposition of certain funds.

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

15 Section 1. Section 1206 of the act of March 4, 1971 (P.L.6,  
16 No.2), known as the Tax Reform Code of 1971, amended August 4,  
17 1991 (P.L.97, No.22), is amended to read:

18 Section 1206. Incidence and Rate of Tax.--An excise tax is  
19 hereby imposed and assessed upon the sale or possession of  
20 cigarettes within this Commonwealth at the rate of one and  
21 [fifty-five] seventy-five hundredths of a cent per cigarette.

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

1     Section 1206.2. Additional Floor Tax.--Any person who  
2     possesses cigarettes on which the tax imposed by section 1206 of  
3     this article has been paid as of the effective date of this  
4     section shall pay an additional tax at a rate of two tenth cents  
5     per cigarette. The tax shall be reported and paid on a form  
6     prescribed by the department. In addition to the interest and  
7     penalties provided in section 1278 of this article, failure to  
8     file said report and pay said tax within sixty days of the  
9     effective date of this section may result in a penalty of two  
10    hundred fifty dollars (\$250). This penalty shall be added to the  
11    tax and assessed and collected at the same time in the same  
12    manner and as a part of the tax.

13     Section 3. Section 1296 of the act, amended May 7, 1997  
14    (P.L.85, No.7), is amended to read:

15     Section 1296. Disposition of Certain Funds.--All cigarette  
16    tax revenues collected by the Department of Revenue under this  
17    article and heretofore paid into the Parent Reimbursement Fund  
18    in accordance with the act of August 27, 1971 (P.L.358, No.92),  
19    known as the "Parent Reimbursement Act for Nonpublic Education,"  
20    shall be transferred into the General Fund. Beginning [July 1,  
21    1993, two thirty-firsts] July 1, 2001, three thirty-fifths of  
22    cigarette tax receipts shall be transferred into the  
23    Agricultural Conservation Easement Purchase Fund, and beginning  
24    [January 1, 1997, three thirty-firsts] July 1, 2001, four  
25    thirty-fifths of cigarette tax receipts shall be paid into a  
26    restricted account to be known as the Children's Health Fund for  
27    health care for indigent children, and beginning July 1, 2001,  
28    four thirty-fifths of cigarette tax receipts shall be paid into  
29    the Pharmaceutical Assistance Contract for the Elderly (PACE)  
30    program established under Chapter 5 of the act of August 26,

1 1971 (P.L.351, No.91), known as the "State Lottery Law," and the  
2 remainder shall be paid into the General Fund. Moneys in the  
3 Children's Health Fund shall not be expended until the enactment  
4 of legislation to implement a program of expanded access to  
5 health care for children. The transfers required by this section  
6 shall be made by July 15 for the preceding six months and by  
7 January 15 for the preceding six months.

8       Section 4. This act shall take effect immediately.