
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 966 Session of
2003

INTRODUCED BY ROBERTS, HORSEY, McCALL, MELIO, THOMAS AND
WASHINGTON, MARCH 25, 2003

REFERRED TO COMMITTEE ON FINANCE, MARCH 25, 2003

AN ACT

1 Prohibiting school districts from imposing and collecting real
2 property tax; establishing a special sales and use tax for
3 school district funding and the Special Sales and Use Tax for
4 Education Fund; and imposing duties on the Department of
5 Education and the Department of Revenue.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Special Sales
10 and Use Tax for Education Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Fund." The Special Sales and Use Tax for Education Fund
16 established by this act.

17 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,
18 No.2), known as the Tax Reform Code of 1971.

19 Section 3. Real property tax abolished.

1 (a) General rule.--No school district shall have the power
2 or authority to levy, assess or collect real property tax in any
3 fiscal year beginning after June 30, 2003.

4 (b) Construction.--This section shall not apply to the power
5 or authority of a school district to collect delinquent taxes
6 for taxes that were lawfully imposed prior to June 30, 2003.

7 Section 4. School district determination of loss in revenue.

8 On or before January 1, 2003, and each year thereafter, each
9 school district shall certify to the Department of Revenue the
10 amount of revenue expected to be lost to the school district as
11 a result of the implementation of section 3.

12 Section 5. Department of Education duties.

13 (a) Report required.--The Department of Education shall
14 report the information submitted under section 4 to the
15 Department of Revenue not later than March 31.

16 (b) Distribution funding.--On or before May 1, 2003, and
17 each year thereafter, the Department of Education shall
18 determine the percentage of the fund each school district shall
19 receive from the fund for the following school year based on the
20 education cost per student Statewide. This determination shall
21 be published as a notice in the Pennsylvania Bulletin not later
22 than May 14, 2003, and each year thereafter.

23 Section 6. Special sales and use tax for education.

24 (a) Imposition of tax.--In addition to the tax authorized by
25 Article II of the Tax Reform Code of 1971, there is hereby
26 imposed upon:

- 27 (1) Each separate sale at retail of tangible personal
28 property or services, as defined in Article II of the Tax
29 Reform Code of 1971, a tax on the purchase price. The tax
30 shall be collected by the vendor from the purchase and shall

1 be paid over to the Commonwealth as provided in Article II of
2 the Tax Reform Code of 1971.

3 (2) The use of tangible personal property purchased at
4 retail and of services purchased at retail, as defined in
5 Article II of the Tax Reform Code of 1971, a tax on the
6 purchase price. The tax shall be paid over to the
7 Commonwealth by the person who makes the use. The tax imposed
8 by this paragraph shall not be paid over to the Commonwealth
9 by any person who has paid the tax imposed by paragraph (1)
10 or has paid the tax imposed by this paragraph to the vendor
11 with respect to the use.

12 (b) Computation of sales and use tax.--The tax imposed by
13 this section shall be at such rate as determined by regulation
14 of the Department of Revenue, taking into consideration the
15 report submitted by the Department of Education in order to
16 collect sufficient revenue to compensate for educational funding
17 lost as a result of the implementation of section 3.

18 Section 7. Special Sales and Use Tax for Education Fund.

19 The Special Sales and Use Tax for Education Fund is
20 established in the State Treasury. The fund shall consist of the
21 taxes collected under this act.

22 Section 8. Distribution to school districts.

23 On or before August 30 of each year, the Department of
24 Education shall make distributions from the fund to each school
25 district in an amount equal to the percentage determined for the
26 school district under section 5(b).

27 Section 9. Effective date.

28 This act shall take effect in 60 days.