

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 648 Session of  
2007

INTRODUCED BY PICKETT, ARGALL, BAKER, BASTIAN, BELFANTI, BOYD, CALTAGIRONE, CAPPELLI, CARROLL, CAUSER, CLYMER, COHEN, COX, CREIGHTON, DALEY, DALLY, DeLUCA, DeWEESE, EVERETT, FABRIZIO, FAIRCHILD, FLECK, FREEMAN, GABIG, GEIST, GEORGE, GIBBONS, GINGRICH, GOODMAN, HARRIS, HENNESSEY, HERSHEY, HESS, HICKERNELL, HORNAMAN, HUTCHINSON, KAUFFMAN, M. KELLER, KENNEY, KILLION, KOTIK, KULA, MAHONEY, MAJOR, MARSICO, McILHATTAN, MICOZZIE, MILLARD, R. MILLER, MUNDY, MYERS, NAILOR, O'NEILL, PAYNE, PEIFER, PETRARCA, PETRI, PETRONE, PHILLIPS, PYLE, RAPP, READSHAW, REICHLEY, ROAE, RUBLEY, SAINATO, SAYLOR, SCAVELLO, S. H. SMITH, SOLOBAY, SONNEY, STABACK, STERN, R. STEVENSON, SURRA, TRUE, TURZAI, WALKO AND YOUNGBLOOD, MARCH 6, 2007

REFERRED TO COMMITTEE ON FINANCE, MARCH 6, 2007

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, in sales and use tax, for  
11 exemption certificates.

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

14 Section 1. Section 237(c) of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended  
16 July 1, 1985 (P.L.78, No.29), is amended to read:

17 Section 237. Collection of Tax.--\* \* \*

1 (c) Exemption Certificates. If the tax does not apply to the  
2 sale or lease of tangible personal property or services, the  
3 purchaser or lessee shall furnish to the vendor a certificate  
4 indicating that the sale is not legally subject to the tax. The  
5 certificate shall be in substantially such form as the  
6 department may, by regulation, prescribe. Where the tangible  
7 personal property or service is of a type which is never subject  
8 to the tax imposed or where the sale or lease is in interstate  
9 commerce, such certificate need not be furnished. Where a series  
10 of transactions are not subject to tax, a purchaser or user may  
11 furnish the vendor with a single exemption certificate in  
12 substantially such form and valid for such period of time as the  
13 department may, by regulation, prescribe[.], provided that an  
14 exemption certificate furnished to a volunteer firemen's  
15 organization shall be considered permanent. The department shall  
16 provide all school districts and intermediate units with a  
17 permanent tax exemption number. An exemption certificate, which  
18 is complete and regular and on its face discloses a valid basis  
19 of exemption if taken in good faith, shall relieve the vendor  
20 from the liability imposed by this section. An exemption  
21 certificate accepted by a vendor from a natural person domiciled  
22 within this Commonwealth or any association, fiduciary,  
23 partnership, corporation or other entity, either authorized to  
24 do business within this Commonwealth or having an established  
25 place of business within this Commonwealth, in the ordinary  
26 course of the vendor's business, which on its face discloses a  
27 valid basis of exemption consistent with the activity of the  
28 purchaser and character of the property or service being  
29 purchased or which is provided to the vendor by a charitable,  
30 religious, educational, volunteer firefighters' relief

1 association or volunteer firemen's organization and contains the  
2 organization's charitable exemption number and which, in the  
3 case of any purchase costing two hundred dollars (\$200) or more,  
4 is accompanied by a sworn declaration on a form to be provided  
5 by the department of an intended usage of the property or  
6 service which would render it nontaxable, shall be presumed to  
7 be taken in good faith and the burden of proving otherwise shall  
8 be on the Department of Revenue.

9 \* \* \*

10 Section 2. This act shall take effect immediately.