

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 785 Session of
2009

INTRODUCED BY SIPTROTH, BEYER, BRENNAN, CARROLL, D. COSTA,
DALLY, FAIRCHILD, GEIST, GRUCELA, HESS, KOTIK, MANN, MOUL,
MURT, MUSTIO, READSHAW, REICHLEY, SCAVELLO, THOMAS, WALKO,
EVERETT AND MIRABITO, MARCH 6, 2009

AS REPORTED FROM COMMITTEE ON TRANSPORTATION, HOUSE OF
REPRESENTATIVES, AS AMENDED, JULY 8, 2009

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," in sales and use tax, further providing for
11 exclusions from tax; AND PROVIDING FOR REPORTS CONCERNING
12 EXCLUSIONS FROM TAX, FOR REIMBURSEMENT AND FOR EXPIRATION. ←

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

15 Section 1. Section 204 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, is amended by
17 adding ~~clauses~~ A CLAUSE to read: ←

18 Section 204. Exclusions from Tax.--The tax imposed by
19 section 202 shall not be imposed upon any of the following:

20 * * *

21 (67) The sale at retail of repair or replacement parts, ←

~~including the installation of those parts, exclusively for use
in aircraft or in overhauling or rebuilding of aircraft or
aircraft components.~~

~~(68) THE SALE OR LEASE AT RETAIL OF AIRCRAFT. OR USE OF
AIRCRAFT PARTS, INCLUDING THE MAINTENANCE AND INSTALLATION OF
SUCH PARTS, EXCLUSIVELY IN REPAIR, MAINTENANCE OR REBUILDING OF
AIRCRAFT OR IN OVERHAULING AIRCRAFT COMPONENTS. FOR PURPOSES OF
THIS CLAUSE, THE TERM "AIRCRAFT" SHALL INCLUDE A FIXED-WING
AIRCRAFT, HELICOPTER, POWERED AIRCRAFT, TILT-ROTOR OR TILT-WING
AIRCRAFT, GLIDER OR UNMANNED AIRCRAFT.~~

~~Section 2. This act shall take effect immediately.~~

SECTION 2. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

SECTION 204.1. REPORTS CONCERNING EXCLUSIONS FROM TAX.--THE
DEPARTMENT OF REVENUE IN CONJUNCTION WITH THE DEPARTMENT OF
COMMUNITY AND ECONOMIC DEVELOPMENT AND THE DEPARTMENT OF
TRANSPORTATION SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL
ASSEMBLY NO LATER THAN SEPTEMBER 1 FOLLOWING THE FIRST FISCAL
YEARS FOR WHICH SECTION 204(67) IS IN EFFECT AND CONTINUE
SUBMISSION OF A REPORT FOR FIVE SUCCEEDING FISCAL YEARS. THE
REPORT SHALL REVIEW AND ANALYZE ALL STATISTICAL DATA AVAILABLE
FOR PURPOSES OF DETERMINING THE ECONOMIC AND REVENUE IMPACT OF
THE SALES AND USE TAX EXEMPTION UNDER SECTION 204(67). THE
REPORT SHALL INCLUDE, BUT NOT BE LIMITED TO, AN ANALYSIS OF ANY
INCREASE OR DECREASE IN AVIATION-RELATED EMPLOYMENT, AIRPLANE
MAINTENANCE AND HANGARING IN THIS COMMONWEALTH. THE DEPARTMENT
OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL POST A COPY OF THE
REPORT REQUIRED BY THIS SECTION ON ITS INTERNET WEBSITE. THE
REPORT SHALL REMAIN ON THE DEPARTMENT OF COMMUNITY AND ECONOMIC
DEVELOPMENT'S INTERNET WEBSITE FOR A PERIOD OF ONE YEAR, OR
UNTIL A SUCCESSIVE REPORT IS ISSUED.

1 SECTION 204.2. REIMBURSEMENT.--ENTITIES SEEKING EXEMPTIONS
2 UNDER SECTION 204(67) SHALL EVIDENCE PROOF OF VOLUNTARY OR
3 NONVOLUNTARY REMITTANCE OF SUCH PENNSYLVANIA SALES AND USE TAX
4 TO THE DEPARTMENT.

5 SECTION 3. THE SALES AND USE TAX EXEMPTIONS UNDER SECTION
6 204(67) SHALL EXPIRE ON DECEMBER 1, 2015.

7 SECTION 4. THIS ACT SHALL TAKE EFFECT JULY 1, 2010.