
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2598 Session of
2012

INTRODUCED BY CARROLL, KORTZ, BRENNAN, CALTAGIRONE, GEIST,
GIBBONS, HARHAI, JOSEPHS, KAVULICH, MUNDY, MURT, PASHINSKI,
SABATINA, SCHMOTZER, K. SMITH, STABACK, STURLA AND WILLIAMS,
SEPTEMBER 5, 2012

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 5, 2012

AN ACT

1 Amending Title 72 (Taxation and Fiscal Affairs) of the
2 Pennsylvania Consolidated Statutes, providing for the
3 imposition of a sales and use tax by counties; and making
4 editorial changes.

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

7 Section 1. Title 72 of the Pennsylvania Consolidated
8 Statutes is amended by adding parts to read:

9 PART I

10 PRELIMINARY PROVISIONS

11 (Reserved)

12 PART II

13 COMMONWEALTH TAXES

14 (Reserved)

15 PART III

16 COUNTY TAXES

17 Chapter

18 75. Preliminary Provisions

1 77. Sales and Use Tax

2 CHAPTER 75

3 PRELIMINARY PROVISIONS

4 Sec.

5 7501. Definitions.

6 § 7501. Definitions.

7 The following words and phrases when used in this part shall
8 have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 "County." A county in this Commonwealth.

11 CHAPTER 77

12 SALES AND USE TAX

13 Sec.

14 7701. Definitions.

15 7702. Referendum.

16 7703. Adoption of resolution.

17 7704. Referendum question.

18 7705. Election proceedings.

19 7706. Collection and disbursement.

20 7707. Use.

21 § 7701. Definitions.

22 The following words and phrases when used in this chapter
23 shall have the meanings given to them in this section unless the
24 context clearly indicates otherwise:

25 "Department." The Department of Revenue of the Commonwealth.

26 "Metropolitan planning organization." The policy board of an
27 organization created and designated to carry out the
28 metropolitan transportation planning process under 75 Pa.C.S. §
29 8915.6 (relating to deposit and distribution of funds).

30 "Pennsylvania Election Code." The act of June 3, 1937

1 (P.L.1333, No.320), known as the Pennsylvania Election Code.

2 "Rural planning organization." An organization of counties
3 with populations of less than 50,000 created and designated as a
4 local development district which carries out the rural
5 transportation planning process under 75 Pa.C.S. § 8915.6
6 (relating to deposit and distribution of funds).

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

9 "Transportation infrastructure project." A proposed or
10 existing road, bridge, tunnel, overpass, ferry, busway,
11 guideway, public transportation facility, vehicle parking
12 facility, port facility, multimodal transportation facility,
13 airport, station, hub, terminal or similar facility used or to
14 be used for the transportation of persons, animals or goods,
15 together with any buildings, structures, parking areas,
16 appurtenances, intelligent transportation systems and other
17 property needed to operate or related to the operation of the
18 transportation facility. The term includes any improvements or
19 substantial enhancements or modifications to an existing
20 transportation facility.

21 § 7702. Referendum.

22 A county shall submit at the primary election of 2013 a
23 referendum question to the electors of the county seeking voter
24 approval allowing the county to levy, in addition to any other
25 sales and use tax permitted by law, a 1% sales and use tax for a
26 period of ten years for the purpose of annually funding
27 transportation infrastructure projects.

28 § 7703. Adoption of resolution.

29 No later than March 13, 2013, a county shall adopt a
30 resolution authorizing the referendum question required under

1 section 7702 (relating to referendum). Upon adoption of the
2 resolution, election officials shall cause the referendum
3 question to be submitted to the electors of the county at the
4 primary election of 2013.

5 § 7704. Referendum question.

6 (a) Contents.--The referendum question submitted to the
7 electors of the county at the primary election of 2013 shall
8 state the rate of the proposed sales and use tax, the duration
9 of the tax, the reason for the tax, the estimated revenue that
10 will be raised from the tax for transportation infrastructure
11 projects and the current rate of sales and use tax imposed in
12 the county by both State and local government. The question
13 shall be clear and in language that is readily understandable by
14 a layperson and shall be framed in the following form:

15 "Do you favor imposing an additional 1% sales and use tax for
16 a period of 10 years? The revenue generated from the tax will
17 be used to fund transportation infrastructure projects. The
18 current sales and use tax rate imposed in the county is Z%."

19 (b) Statement.--The election officials of a county shall
20 draft a nonlegal interpretative statement which shall accompany
21 the referendum question in accordance with section 201.1 of the
22 Pennsylvania Election Code. The nonlegal interpretative
23 statement shall inform the voters of all of the following:

24 (1) The reason for the tax.

25 (2) The duration of the tax.

26 (3) The estimated increase in revenue that will be
27 raised from the tax for transportation infrastructure
28 projects.

29 (4) The current rate of sales and use tax imposed in the
30 county by both State and local government.

1 (5) The proposed tax rate.

2 (c) Certification.--The election officials of a county shall
3 certify the results of the referendum required under this
4 section to the Department of State in accordance with Article
5 XIV of the Pennsylvania Election Code.

6 (d) Majority.--Approval of the referendum required under
7 this chapter shall be by a majority of the electors voting on
8 the question in the county.

9 (e) Approval.--If the referendum question under this chapter
10 is approved, the sales and use tax shall be self-executing and
11 shall take effect beginning on the first day of the fiscal year
12 which begins after the tax is authorized and shall cease after
13 the tenth fiscal year in which it was in effect.

14 § 7705. Election proceedings.

15 Proceedings under this chapter shall be in accordance with
16 the Pennsylvania Election Code.

17 § 7706. Collection and disbursement.

18 (a) Imposition.--

19 (1) A tax under this chapter shall be imposed on the
20 purchase price upon each separate sale at retail of tangible
21 personal property or services, as defined in Article II of
22 the Tax Reform Code, within the boundaries of the county. The
23 tax shall be collected by the vendor from the purchaser and
24 shall be paid to the Commonwealth as provided in Article II
25 of the Tax Reform Code.

26 (2) A tax under this chapter shall be imposed on the
27 purchase price upon the use, within the county, of tangible
28 personal property purchased at retail and on services
29 purchased at retail as defined in Article II of the Tax
30 Reform Code. The tax shall be paid over to the Commonwealth

1 by the person who makes the use. The use tax imposed under
2 this chapter shall not be paid over to the Commonwealth by
3 any person who has paid the tax imposed under paragraph (1)
4 or has paid the tax imposed by this subsection to the vendor
5 with respect to the use.

6 (b) Disbursement.--All tax received by the department and
7 interest and penalties, less any refunds, credits paid and a
8 reasonable cost for the collection of the tax which may be
9 retained by the department, shall be credited to and disbursed
10 by the department in accordance with the following:

11 (1) Twenty-five percent to the Department of
12 Transportation for transportation infrastructure projects in
13 the county in which the tax was generated.

14 (2) Seventy-five percent to the county from which the
15 tax was generated.

16 § 7707. Use.

17 Upon consultation and collaboration among metropolitan
18 planning organizations, rural planning organizations and the
19 department, revenues received under section 7706(b) (relating to
20 collection and disbursement) shall be used for transportation
21 infrastructure projects. Counties shall allocate 20% of revenues
22 received to a municipal grant program to be used by
23 municipalities for transportation infrastructure projects
24 located within the municipality.

25 Section 2. This act shall take effect in 60 days.