

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1172 Session of 2013

INTRODUCED BY CHRISTIANA, KORTZ, GINGRICH AND CALTAGIRONE,  
APRIL 17, 2013

REFERRED TO COMMITTEE ON APPROPRIATIONS, APRIL 17, 2013

AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),  
2 entitled "An act empowering cities of the second class,  
3 cities of the second class A, cities of the third class,  
4 boroughs, towns, townships of the first class, townships of  
5 the second class, school districts of the second class,  
6 school districts of the third class and school districts of  
7 the fourth class including independent school districts, to  
8 levy, assess, collect or to provide for the levying,  
9 assessment and collection of certain taxes subject to maximum  
10 limitations for general revenue purposes; authorizing the  
11 establishment of bureaus and the appointment and compensation  
12 of officers, agencies and employes to assess and collect such  
13 taxes; providing for joint collection of certain taxes,  
14 prescribing certain definitions and other provisions for  
15 taxes levied and assessed upon earned income, providing for  
16 annual audits and for collection of delinquent taxes, and  
17 permitting and requiring penalties to be imposed and  
18 enforced, including penalties for disclosure of confidential  
19 information, providing an appeal from the ordinance or  
20 resolution levying such taxes to the court of quarter  
21 sessions and to the Supreme Court and Superior Court,"  
22 further providing for limitations on rates of specific taxes.

23 The General Assembly of the Commonwealth of Pennsylvania

24 hereby enacts as follows:

25 Section 1. Section 311(2) of the act of December 31, 1965  
26 (P.L.1257, No.511), known as The Local Tax Enabling Act, amended  
27 October 15, 2008 (P.L.1615, No.130), is amended to read:

28 Section 311. Limitations on Rates of Specific Taxes.--No

1 taxes levied under the provisions of this chapter shall be  
2 levied by any political subdivision on the following subjects  
3 exceeding the rates specified in this section:

4 \* \* \*

5 (2) On each dollar of the whole volume of business  
6 transacted by wholesale dealers in goods, wares and merchandise,  
7 one mill, by retail dealers in goods, wares and merchandise and  
8 by proprietors of restaurants or other places where food, drink  
9 and refreshments are served, one and one-half mills; except in  
10 cities of the second class, where rates shall not exceed one  
11 mill on wholesale dealers and two mills on retail dealers and  
12 proprietors. No such tax shall be levied on the dollar volume of  
13 business transacted by wholesale and retail dealers derived from  
14 the resale of goods, wares and merchandise, taken by any dealer  
15 as a trade-in or as part payment for other goods, wares and  
16 merchandise, except to the extent that the resale price exceeds  
17 the trade-in allowance. When a political subdivision which  
18 currently levies, assesses or collects a mercantile or business  
19 privilege tax on gross receipts under section 533 of the act of  
20 December 13, 1988 (P.L.1121, No.145), known as the "Local Tax  
21 Reform Act," merges with one or more political subdivisions to  
22 form a new political subdivision on or after August 1, 2008, the  
23 new political subdivision may levy that mercantile or business  
24 privilege tax[, but not at a rate greater than the] in the first  
25 year following the merger at a rate necessary to generate the  
26 same revenues generated in the last fiscal year that the merging  
27 political subdivision generated before the merger. Such rate  
28 shall remain in effect for the new political subdivision in  
29 subsequent years but the revenue neutral limitation shall only  
30 apply to the first year following the merger. If the merging

1 political subdivision had previously shared the rate of taxation  
2 with another political subdivision, the nonmerging political  
3 subdivision which had shared the rate is capped at the rate it  
4 was previously levying.

5 \* \* \*

6 Section 2. This act shall take effect immediately.