

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2348 Session of 2015

INTRODUCED BY NEILSON, READSHAW, PAYNE AND M. K. KELLER,  
SEPTEMBER 20, 2016

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 20, 2016

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,  
 2 as amended, "An act relating to the finances of the State  
 3 government; providing for the settlement, assessment,  
 4 collection, and lien of taxes, bonus, and all other accounts  
 5 due the Commonwealth, the collection and recovery of fees and  
 6 other money or property due or belonging to the Commonwealth,  
 7 or any agency thereof, including escheated property and the  
 8 proceeds of its sale, the custody and disbursement or other  
 9 disposition of funds and securities belonging to or in the  
 10 possession of the Commonwealth, and the settlement of claims  
 11 against the Commonwealth, the resettlement of accounts and  
 12 appeals to the courts, refunds of moneys erroneously paid to  
 13 the Commonwealth, auditing the accounts of the Commonwealth  
 14 and all agencies thereof, of all public officers collecting  
 15 moneys payable to the Commonwealth, or any agency thereof,  
 16 and all receipts of appropriations from the Commonwealth,  
 17 authorizing the Commonwealth to issue tax anticipation notes  
 18 to defray current expenses, implementing the provisions of  
 19 section 7(a) of Article VIII of the Constitution of  
 20 Pennsylvania authorizing and restricting the incurring of  
 21 certain debt and imposing penalties; affecting every  
 22 department, board, commission, and officer of the State  
 23 government, every political subdivision of the State, and  
 24 certain officers of such subdivisions, every person,  
 25 association, and corporation required to pay, assess, or  
 26 collect taxes, or to make returns or reports under the laws  
 27 imposing taxes for State purposes, or to pay license fees or  
 28 other moneys to the Commonwealth, or any agency thereof,  
 29 every State depository and every debtor or creditor of the  
 30 Commonwealth," providing for fraternal and agricultural  
 31 organizations.

32 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. The act of April 9, 1929 (P.L.343, No.176), known  
3 as The Fiscal Code, is amended by adding an article to read:

4 ARTICLE XVI-L

5 FRATERNAL AND AGRICULTURAL ORGANIZATIONS

6 Section 1601-L. Scope of article.

7 This article applies to certain fraternal and agricultural  
8 organizations.

9 Section 1602-L. Nature of organizations.

10 Notwithstanding anything to the contrary in the act of  
11 November 26, 1997 (P.L.508, No.55), known as the Institutions of  
12 Purely Public Charity Act, the following shall be deemed an  
13 institution of purely public charity under the Institutions of  
14 Purely Public Charity Act:

15 (1) Fraternal beneficiary societies, orders or  
16 associations operating under the lodge system and providing  
17 for the payment of life, sick, accident or other benefits to  
18 the members of the society, order or association or their  
19 dependents and domestic fraternal societies, orders or  
20 associations operating under the lodge system, the net  
21 earnings of which are devoted exclusively to religious,  
22 charitable, scientific, literary, educational and fraternal  
23 purposes, in each case if the following apply:

24 (i) the organization has been operating in this  
25 Commonwealth for not less than 100 years;

26 (ii) the organization qualifies for an exemption  
27 from taxation under section 501(c)(8) or (10) of the  
28 Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(8) and  
29 (10)); and

30 (iii) the organization has not been issued a license

1           under the act of April 12, 1951 (P.L.90, No.21), known as  
2           the Liquor Code.

3           (2) Title holding organizations that qualify for an  
4           exemption from taxation under section 501(c)(2) of the  
5           Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(2)) that  
6           are wholly owned or controlled by one or more fraternal  
7           organizations described in paragraph (1).

8           (3) An agricultural organization if the following apply:

9           (i) the organization has been operating in this  
10           Commonwealth for not less than 100 years;

11           (ii) the organization qualifies for exemption from  
12           taxation under section 501(c)(5) of the Internal Revenue  
13           Code of 1986 (26 U.S.C. § 501(c)(5)); and

14           (iii) the organization has not been issued a license  
15           under the Liquor Code.

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