
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 76 Session of 2019

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KAUFER, RADER, WHEELAND, ZIMMERMAN AND MAKO,
SEPTEMBER 18, 2019

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 18, 2019

AN ACT

1 Providing for tax levies and information related to taxes;
2 authorizing the imposition of a personal income tax or an
3 earned income tax by a school district subject to voter
4 approval; providing for imposition of and exclusions from a
5 sales and use tax for the stabilization of education funding,
6 for increase to the personal income tax, for certain
7 licenses, for hotel occupancy tax, for procedure and
8 administration of the tax, for expiration of authority to
9 issue certain debt and for reporting by local government
10 units of debt outstanding; establishing the Education
11 Stabilization Fund; providing for disbursements from the
12 Education Stabilization Fund and for senior citizen property
13 tax rent rebate assistance; and making repeals.

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2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 CHAPTER 1
5 PRELIMINARY PROVISIONS

6 Section 101. Short title.

7 This act shall be known and may be cited as the Property Tax
8 Independence Act.

9 Section 102. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

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

14 "Education Stabilization Fund." The Education Stabilization
15 Fund established in section 1302.

16 "Fiscal year." The fiscal year of the Commonwealth beginning
17 on July 1 and ending on June 30 of the immediately following
18 calendar year.

19 "Governing body." The board of school directors of a school
20 district, except that the term shall mean the city council of a
21 city of the first class for purposes of the levy and collection
22 of any tax in a school district of the first class.

23 "Internal Revenue Code of 1986." The Internal Revenue Code
24 of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

25 "Local Tax Enabling Act." The act of December 31, 1965
26 (P.L.1257, No.511), known as The Local Tax Enabling Act,

27 "Public School Code of 1949." The act of March 10, 1949
28 (P.L.30, No.14), known as the Public School Code of 1949.

29 "School district." A school district of the first class,
30 first class A, second class, third class or fourth class,

1 including any independent school district. For purposes of the
2 levy, assessment and collection of any tax in a school district
3 of the first class, the term shall include the city council.

4 "School per capita tax." The tax authorized pursuant to
5 section 679 of the Public School Code of 1949.

6 "Secretary." The Secretary of Revenue of the Commonwealth.

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

9 CHAPTER 3

10 TAXATION BY SCHOOL DISTRICTS

11 Section 301. Scope.

12 This chapter authorizes school districts to levy, assess and
13 collect a tax on personal income or a tax on earned income and
14 net profits as a means of abolishing property taxation by the
15 school district.

16 Section 302. Definitions.

17 The words and phrases used in this chapter shall have the
18 same meanings given to them in the Tax Reform Code of 1971 or
19 the Local Tax Enabling Act unless the context clearly indicates
20 otherwise.

21 Section 303. Limitation.

22 Any tax imposed under this chapter shall be subject to the
23 limitations set forth in Chapter 11.

24 Section 304. Preemption.

25 No act of the General Assembly shall vacate or preempt any
26 resolution passed or adopted under the authority of this
27 chapter, or any other act, providing authority for the
28 imposition of a tax by a school district, unless the act of the
29 General Assembly expressly vacates or preempts the authority to
30 pass or adopt resolutions.

1 Section 305. General tax authorization.

2 (a) General rule.--A board of school directors may, by
3 resolution, levy, assess and collect or provide for the levying,
4 assessment and collection of a tax on personal income or a tax
5 on earned income and net profits for general revenue purposes.

6 (b) Personal income tax.--

7 (1) A board of school directors may levy, assess and
8 collect a tax on the personal income of resident individuals
9 at a rate determined by the board of school directors.

10 (2) A school district which seeks to levy the tax
11 authorized under paragraph (1) must comply with section 306.

12 (3) If a board of school directors seeks to impose a
13 personal income tax under this subsection and the referendum
14 under section 306 is approved by the electorate, the board of
15 school directors shall have no authority to impose an earned
16 income and net profits tax under subsection (c) or any other
17 act.

18 (4) A personal income tax imposed under the authority of
19 this section shall be levied by the school district on each
20 of the classes of income specified in section 303 of the Tax
21 Reform Code of 1971 and regulations under that section,
22 provisions of which are incorporated by reference into this
23 chapter. The following shall apply:

24 (i) Notwithstanding the provisions of section 353(f)
25 of the Tax Reform Code of 1971, the department may permit
26 the proper officer or an authorized agent of a school
27 district imposing a personal income tax pursuant to this
28 chapter to inspect the tax returns of any taxpayer of the
29 school district or may furnish to the officer or an
30 authorized agent an abstract of the return of income of

1 any current or former resident of the school district or
2 supply information concerning any item of income
3 contained in any tax return. The officer or authorized
4 agent of the school district imposing a tax under this
5 chapter shall be furnished the requested information upon
6 payment to the department of the actual cost of providing
7 the requested information.

8 (ii) (A) Except for official purposes or as
9 provided by law, it shall be unlawful for any officer
10 or authorized agent of a school district to do any of
11 the following:

12 (I) Disclose to any other individual or
13 entity the amount or source of income, profits,
14 losses, expenditures or any particular
15 information concerning income, profits, losses or
16 expenditures contained in any return.

17 (II) Permit any other individual or entity
18 to view or examine any return or copy of a return
19 or any book containing any abstract or
20 particulars.

21 (III) Print, publish or publicize in any
22 manner any return; any particular information
23 contained in or concerning the return; any amount
24 or source of income, profits, losses or
25 expenditures in or concerning the return; or any
26 particular information concerning income,
27 profits, losses or expenditures contained in or
28 relating to any return.

29 (B) Any officer or authorized agent of a school
30 district that violates clause (A):

1 (I) May be fined not more than \$1,000 or
2 imprisoned for not more than one year, or both.

3 (II) May be removed from office or
4 discharged from employment.

5 (c) Earned income and net profits tax.--

6 (1) A board of school directors may levy, assess and
7 collect a tax on earned income and net profits of resident
8 individuals at a rate determined by the board of school
9 directors.

10 (2) A school district which seeks to levy the tax
11 authorized under paragraph (1) must comply with section 306.

12 (3) If a board of school directors seeks to impose a tax
13 on earned income and net profits under this subsection and
14 the referendum under section 306 is approved by the
15 electorate, the board of school directors shall have no
16 authority to impose a personal income tax under subsection
17 (b) or any other act.

18 Section 306. Referendum.

19 (a) General rule.--In order to levy a personal income tax or
20 an earned income and net profits tax under this chapter, a
21 governing body shall use the procedures set forth in subsections
22 (b), (c), (d), (e), (f) and (g).

23 (b) Approved by electorate.--

24 (1) Subject to the notice and public hearing
25 requirements of subsection (g), a governing body may levy the
26 personal income tax or earned income and net profits tax
27 under this chapter only by obtaining the approval of the
28 electorate of the affected school district in a public
29 referendum at only the primary election preceding the fiscal
30 year when the personal income tax or earned income and net

1 profits tax will be initially imposed or the rate increased.

2 (2) The referendum question must state the initial rate
3 of the proposed personal income tax or earned income and net
4 profits tax, the purpose of the tax, the duration of the tax
5 and the amount of revenue to be generated by the
6 implementation of the tax.

7 (3) The question shall be in clear language that is
8 readily understandable by a layperson. For the purpose of
9 illustration, a referendum question may be framed as follows:

10 Do you favor paying a personal income tax of X% for
11 the purpose of X, for X years, which will generate
12 \$X?

13 Do you favor paying an earned income and net profits
14 tax of X% for the purpose of X, for X years, which
15 will generate \$X?

16 (4) A nonlegal interpretative statement must accompany
17 the question in accordance with section 201.1 of the act of
18 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
19 Election Code, that includes the following:

20 (i) the initial rate of the personal income or
21 earned income and net profits tax imposed under this
22 chapter; and

23 (ii) the estimated revenues to be derived from the
24 initial rate imposed under this chapter.

25 (c) School district located in more than one county.--In the
26 event a school district is located in more than one county,
27 petitions under this section shall be filed with the election
28 officials of the county in which the administrative offices of
29 the school district are located.

30 (d) Review and certification.--The election officials who

1 receive a petition shall perform all administrative functions in
2 reviewing and certifying the validity of the petition and
3 conduct all necessary communications with the school district.

4 (e) Notification.--

5 (1) If the election officials of the county who receive
6 the petition certify that it is sufficient under this section
7 and determine that a question should be placed on the ballot,
8 the decision shall be communicated to election officials in
9 any other county in which the school district is also
10 located.

11 (2) Election officials in the other county or counties
12 shall cooperate with election officials of the county that
13 receives the petition to ensure that an identical question is
14 placed on the ballot at the same election throughout the
15 entire school district.

16 (f) Certification of results.--Election officials from each
17 county involved shall independently certify the results from
18 their county to the governing body.

19 (g) Adoption of resolution.--

20 (1) In order to levy the tax under this section, the
21 governing body shall adopt a resolution which shall refer to
22 this chapter prior to placing a question on the ballot.

23 (2) Prior to adopting a resolution imposing the tax
24 authorized by this section, the governing body shall give
25 public notice of its intent to adopt the resolution in the
26 manner provided by the Local Tax Enabling Act and shall
27 conduct at least two public hearings regarding the proposed
28 adoption of the resolution. One public hearing shall be
29 conducted during normal business hours and one public hearing
30 shall be conducted during evening hours or on a weekend.

1 Section 307. Continuity of tax.

2 Every tax levied under this chapter shall continue in force
3 on a fiscal year basis without annual reenactment unless the
4 rate of the tax is subsequently changed or the duration placed
5 on the referendum has expired.

6 Section 308. Collections.

7 Any income tax imposed under this chapter shall be subject to
8 the provisions for collection and delinquency found in the Local
9 Tax Enabling Act.

10 Section 309. Credits.

11 (a) Credit.--Except as set forth in subsection (b), the
12 provisions of the Local Tax Enabling Act shall be applied by a
13 board of school directors to determine any credits applicable to
14 a tax imposed under this chapter.

15 (b) Limitation.--Payment of any tax on income to any state
16 other than Pennsylvania or to any political subdivision located
17 outside the boundaries of this Commonwealth by a resident of a
18 school district located in this Commonwealth shall not be
19 credited to and allowed as a deduction from the liability of
20 such person for any income tax imposed by the school district of
21 residence pursuant to this chapter.

22 Section 310. Exemption and special provisions.

23 (a) Earned income and net profits tax.--A school district
24 that imposes an earned income and net profits tax authorized
25 under section 305(c) may exempt from the payment of that tax any
26 person whose total income from all sources is less than \$12,000.

27 (b) Applicability to personal income tax.--Section 304 of
28 the Tax Reform Code of 1971 shall apply to any personal income
29 tax levied by a school district under section 305(b).

30 Section 311. Regulations.

1 A school district that imposes:

2 (1) an earned income and net profits tax authorized
3 under section 305(c) shall be subject to the provisions of
4 the Local Tax Enabling Act and may adopt procedures for the
5 processing of claims for credits and exemptions under
6 sections 309 and 310; or

7 (2) a personal income tax under section 305(b) shall be
8 subject to all regulations adopted by the department in
9 administering the tax due to the Commonwealth under Article
10 III of the Tax Reform Code of 1971.

11 CHAPTER 4

12 EDUCATION TAX

13 Section 401. Education tax.

14 (a) General rule.--In addition to the tax collected under
15 section 302 of the Tax Reform Code of 1971, the Commonwealth
16 shall impose and administer the tax set forth in subsection (b)
17 in the same manner as the tax under Article III of the Tax
18 Reform Code of 1971.

19 (b) Imposition of tax.--

20 (1) Every resident individual, estate or trust shall be
21 subject to, and shall pay for the privilege of receiving each
22 of the classes of income enumerated in section 303 of the Tax
23 Reform Code of 1971, a tax upon each dollar of income
24 received by that resident during that resident's taxable year
25 at the rate of 1.88%.

26 (2) Every nonresident individual, estate or trust shall
27 be subject to, and shall pay for the privilege of receiving
28 each of the classes of income enumerated in section 303 of
29 the Tax Reform Code of 1971 from sources within this
30 Commonwealth, a tax upon each dollar of income received by

1 that nonresident during that nonresident's taxable year at
2 the rate of 1.88%.

3 (c) Deposit in Education Stabilization Fund.--

4 (1) All money collected under this section shall be
5 deposited into the Education Stabilization Fund.

6 (2) So much of the proceeds of the tax imposed by this
7 chapter as shall be necessary for the payment of refunds,
8 enforcement or administration under this chapter is hereby
9 appropriated to the department for such purposes.

10 (d) Combination of tax forms.--The department shall
11 incorporate the taxpayer reporting requirement for the
12 implementation of this section into the forms utilized by the
13 department under Article III of the Tax Reform Code of 1971.

14 (e) Definitions.--The words and phrases used in this section
15 shall have the same meaning given to them in Article III of the
16 Tax Reform Code of 1971.

17 CHAPTER 7

18 SALES AND USE TAX FOR THE

19 STABILIZATION OF EDUCATION FUNDING

20 SUBCHAPTER A

21 PRELIMINARY PROVISIONS

22 Section 700. Scope.

23 The tax provided for under this chapter shall be known as the
24 Sales and Use Tax for the Stabilization of Education Funding,
25 which shall be a replacement for the sales and use tax
26 authorized under Article II of the Tax Reform Code of 1971 and
27 that is repealed by this act.

28 Section 701. Definitions.

29 The following words and phrases when used in this chapter
30 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 (a) "Soft drinks."

3 (1) All nonalcoholic beverages, whether carbonated or
4 not, such as soda water, ginger ale, Coca Cola, lime cola,
5 Pepsi Cola, Dr Pepper, fruit juice when plain or carbonated
6 water, flavoring or syrup is added, carbonated water,
7 orangeade, lemonade, root beer or any and all preparations,
8 commonly referred to as soft drinks, of whatsoever kind, and
9 are further described as including any and all beverages,
10 commonly referred to as soft drinks, which are made with or
11 without the use of any syrup.

12 (2) The term does not include natural fruit or vegetable
13 juices or their concentrates, or noncarbonated fruit juice
14 drinks containing not less than 25% by volume of natural
15 fruit juices or of fruit juice which has been reconstituted
16 to its original state, or natural concentrated fruit or
17 vegetable juices reconstituted to their original state,
18 whether any of the natural juices are frozen or unfrozen,
19 sweetened or unsweetened, seasoned with salt or spice or
20 unseasoned. The term also does not include coffee, coffee
21 substitutes, tea, cocoa, natural fluid milk or noncarbonated
22 drinks made from milk derivatives.

23 (b) "Maintaining a place of business in this Commonwealth."

24 (1) Having, maintaining or using within this
25 Commonwealth, either directly or through a subsidiary,
26 representative or an agent, an office, distribution house,
27 sales house, warehouse, service enterprise or other place of
28 business; or any agent of general or restricted authority, or
29 representative, irrespective of whether the place of
30 business, representative or agent is located in this

1 Commonwealth, permanently or temporarily, or whether the
2 person or subsidiary maintaining the place of business,
3 representative or agent is authorized to do business within
4 this Commonwealth.

5 (1.1) Providing taxable services.

6 (2) Engaging in any activity as a business within this
7 Commonwealth by any person, either directly or through a
8 subsidiary, representative or an agent, in connection with
9 the lease, sale or delivery of tangible personal property or
10 the performance of services thereon for use, storage or
11 consumption or in connection with the sale or delivery for
12 use of the services described in subclauses (11) through (18)
13 of clause (k) of this section, including, but not limited to,
14 having, maintaining or using any office, distribution house,
15 sales house, warehouse or other place of business, any stock
16 of goods or any solicitor, canvasser, salesman,
17 representative or agent under its authority, at its direction
18 or with its permission, regardless of whether the person or
19 subsidiary is authorized to do business in this Commonwealth.

20 (3) Regularly or substantially soliciting orders within
21 this Commonwealth in connection with the lease, sale or
22 delivery of tangible personal property to or the performance
23 thereon of services or in connection with the sale or
24 delivery of the services described in subclauses (11) through
25 (18) of clause (k) of this section for residents of this
26 Commonwealth by means of catalogs or other advertising,
27 whether the orders are accepted within or without this
28 Commonwealth.

29 (3.1) Entering this Commonwealth by any person to
30 provide assembly, service or repair of tangible personal

1 property, either directly or through a subsidiary,
2 representative or an agent.

3 (3.2) Delivering tangible personal property to locations
4 within this Commonwealth if the delivery includes the
5 unpacking, positioning, placing or assembling of the tangible
6 personal property.

7 (3.3) Having any contact within this Commonwealth which
8 would allow the Commonwealth to require a person to collect
9 and remit tax under the Constitution of the United States.

10 (3.4) Providing a customer's mobile telecommunications
11 service deemed to be provided by the customer's home service
12 provider under the Mobile Telecommunications Sourcing Act
13 (Public Law 106-252, 4 U.S.C. § 116). For purposes of this
14 clause, words and phrases used in this clause shall have the
15 meanings given to them in the Mobile Telecommunications
16 Sourcing Act.

17 (4) The term does not include:

18 (i) Owning or leasing of tangible or intangible
19 property by a person who has contracted with an
20 unaffiliated commercial printer for printing, provided
21 that:

22 (A) the property is for use by the commercial
23 printer; and

24 (B) the property is located at the Pennsylvania
25 premises of the commercial printer.

26 (ii) Visits by a person's employees or agents to the
27 premises in this Commonwealth of an unaffiliated
28 commercial printer with whom the person has contracted
29 for printing in connection with said contract.

30 (c) "Manufacture." The performance of manufacturing,

1 fabricating, compounding, processing or other operations,
2 engaged in as a business, which place any tangible personal
3 property in a form, composition or character different from that
4 in which it is acquired whether for sale or use by the
5 manufacturer, and shall include, but not be limited to:

6 (1) Every operation commencing with the first production
7 stage and ending with the completion of tangible personal
8 property having the physical qualities, including packaging,
9 if any, passing to the ultimate consumer, which it has when
10 transferred by the manufacturer to another. For purposes of
11 this definition, "operation" includes clean rooms and their
12 component systems, including: environmental control systems,
13 antistatic vertical walls and manufacturing platforms and
14 floors which are independent of the real estate; process
15 piping systems; specialized lighting systems; deionized water
16 systems; process vacuum and compressed air systems; process
17 and specialty gases; and alarm or warning devices
18 specifically designed to warn of threats to the integrity of
19 the product or people. For purposes of this definition, a
20 "clean room" is a location with a self-contained, sealed
21 environment with a controlled, closed air system independent
22 from the facility's general environmental control system.

23 (2) The publishing of books, newspapers, magazines and
24 other periodicals and printing.

25 (3) Refining, blasting, exploring, mining and quarrying
26 for, or otherwise extracting from the earth or from waste or
27 stock piles or from pits or banks any natural resources,
28 minerals and mineral aggregates including blast furnace slag.

29 (4) Building, rebuilding, repairing and making additions
30 to, or replacements in or upon vessels designed for

1 commercial use of registered tonnage of 50 tons or more when
2 produced on special order of the purchaser, or when rebuilt,
3 repaired or enlarged, or when replacements are made upon
4 order of or for the account of the owner.

5 (5) Research having as its objective the production of a
6 new or an improved:

7 (i) product or utility service; or

8 (ii) method of producing a product or utility
9 service,

10 but in either case not including market research or research
11 having as its objective the improvement of administrative
12 efficiency.

13 (6) Remanufacture for wholesale distribution by a
14 remanufacturer of motor vehicle parts from used parts
15 acquired in bulk by the remanufacturer using an assembly line
16 process which involves the complete disassembly of such parts
17 and integration of the components of such parts with other
18 used or new components of parts, including the salvaging,
19 recycling or reclaiming of used parts by the remanufacturer.

20 (7) Remanufacture or retrofit by a manufacturer or
21 remanufacturer of aircraft, armored vehicles, other defense-
22 related vehicles having a finished value of at least \$50,000.
23 Remanufacture or retrofit involves the disassembly of such
24 aircraft, vehicles, parts or components, including electric
25 or electronic components, the integration of those parts and
26 components with other used or new parts or components,
27 including the salvaging, recycling or reclaiming of the used
28 parts or components and the assembly of the new or used
29 aircraft, vehicles, parts or components. For purposes of this
30 clause, the following terms or phrases have the following

1 meanings:

2 (i) "aircraft" means fixed-wing aircraft,
3 helicopters, powered aircraft, tilt-rotor or tilt-wing
4 aircraft, unmanned aircraft and gliders;

5 (ii) "armored vehicles" means tanks, armed personnel
6 carriers and all other armed track or semitrack vehicles;
7 and

8 (iii) "other defense-related vehicles" means trucks,
9 truck-tractors, trailers, jeeps and other utility
10 vehicles, including any unmanned vehicles.

11 (8) Remanufacture by a remanufacturer of locomotive
12 parts from used parts acquired in bulk by the remanufacturer
13 using an assembly line process which involves the complete
14 disassembly of such parts and integration of the components
15 of such parts with other used or new components of parts,
16 including the salvaging, recycling or reclaiming of used
17 parts by the remanufacturer.

18 The term does not include constructing, altering, servicing,
19 repairing or improving real estate or repairing, servicing or
20 installing tangible personal property, nor the producing of a
21 commercial motion picture, nor the cooking, freezing or baking
22 of fruits, vegetables, mushrooms, fish, seafood, meats, poultry
23 or bakery products.

24 (c.1) "Blasting." The use of any combustible or explosive
25 composition in the removal of material resources, minerals and
26 mineral aggregates from the earth including the separation of
27 the dirt, waste and refuse in which they are found.

28 (d) "Processing." The performance of the following
29 activities when engaged in as a business enterprise:

30 (1) The filtering or heating of honey, the cooking,

1 baking or freezing of fruits, vegetables, mushrooms, fish,
2 seafood, meats, poultry or bakery products, when the person
3 engaged in the business packages the property in sealed
4 containers for wholesale distribution.

5 (1.1) The processing of fruits or vegetables by
6 cleaning, cutting, coring, peeling or chopping and treating
7 to preserve, sterilize or purify and substantially extend the
8 useful shelf life of the fruits or vegetables, when the
9 person engaged in the activity packages the property in
10 sealed containers for wholesale distribution.

11 (2) The scouring, carbonizing, cording, combing,
12 throwing, twisting or winding of natural or synthetic fibers,
13 or the spinning, bleaching, dyeing, printing or finishing of
14 yarns or fabrics, when the activities are performed prior to
15 sale to the ultimate consumer.

16 (3) The electroplating, galvanizing, enameling,
17 anodizing, coloring, finishing, impregnating or heat treating
18 of metals or plastics for sale or in the process of
19 manufacturing.

20 (3.1) The blanking, shearing, leveling, slitting or
21 burning of metals for sale to or use by a manufacturer or
22 processor.

23 (4) The rolling, drawing or extruding of ferrous and
24 nonferrous metals.

25 (5) The fabrication for sale of ornamental or structural
26 metal or of metal stairs, staircases, gratings, fire escapes
27 or railings, not including fabrication work done at the
28 construction site.

29 (6) The preparation of animal feed or poultry feed for
30 sale.

1 (7) The production, processing and bottling of
2 nonalcoholic beverages for wholesale distribution.

3 (8) The operation of a sawmill or planing mill for the
4 production of lumber or lumber products for sale. The
5 operation of a sawmill or planing mill begins with the
6 unloading by the operator of the sawmill or planing mill of
7 logs, timber, pulpwood or other forms of wood material to be
8 used in the sawmill or planing mill.

9 (9) The milling for sale of flour or meal from grains.

10 (9.1) The aging, stripping, conditioning, crushing and
11 blending of tobacco leaves for use as cigar filler or as
12 components of smokeless tobacco products for sale to
13 manufacturers of tobacco products.

14 (10) The slaughtering and dressing of animals for meat
15 to be sold or to be used in preparing meat products for sale,
16 and the preparation of meat products including lard, tallow,
17 grease, cooking and inedible oils for wholesale distribution.

18 (11) The processing of used lubricating oils.

19 (12) The broadcasting of radio and television programs
20 of licensed commercial or educational stations.

21 (13) The cooking or baking of bread, pastries, cakes,
22 cookies, muffins and doughnuts when the person engaged in the
23 activity sells the items at retail at locations that do not
24 constitute an establishment from which ready-to-eat food and
25 beverages are sold. For purposes of this clause, a bakery, a
26 pastry shop and a doughnut shop shall not be considered an
27 establishment from which ready-to-eat food and beverages are
28 sold.

29 (14) The cleaning and roasting and the blending,
30 grinding or packaging for sale of coffee from green coffee

1 beans or the production of coffee extract.

2 (15) The preparation of dry or liquid fertilizer for
3 sale.

4 (16) The production, processing and packaging of ice for
5 wholesale distribution.

6 (17) The producing of mobile telecommunications
7 services.

8 (18) The collection, washing, sorting, inspecting and
9 packaging of eggs.

10 (e) "Person." Any natural person, association, fiduciary,
11 partnership, corporation or other entity, including the
12 Commonwealth of Pennsylvania, its political subdivisions and
13 instrumentalities and public authorities. Whenever used in
14 prescribing and imposing a penalty or imposing a fine or
15 imprisonment, or both, the term as applied to an association,
16 includes the members of the association and, as applied to a
17 corporation, the officers of the corporation.

18 (f) "Purchase at retail."

19 (1) The acquisition for a consideration of the
20 ownership, custody or possession of tangible personal
21 property other than for resale by the person acquiring the
22 same when the acquisition is made for the purpose of
23 consumption or use, whether the acquisition is absolute or
24 conditional, and by any means it is effected.

25 (2) The acquisition of a license to use or consume, and
26 the rental or lease of tangible personal property, other than
27 for resale regardless of the period of time the lessee has
28 possession or custody of the property.

29 (3) The obtaining for a consideration of those services
30 described in subclauses (2), (3) and (4) of clause (k) of

1 this section other than for resale.

2 (4) A retention after March 7, 1956, of possession,
3 custody or a license to use or consume pursuant to a rental
4 contract or other lease arrangement (other than as security)
5 other than for resale.

6 (5) The obtaining for a consideration of those services
7 described in subclauses (11) through (18) of clause (k) of
8 this section.

9 The term, with respect to liquor and malt or brewed beverages,
10 includes the purchase of liquor from any Pennsylvania Liquor
11 Store by any person for any purpose, and the purchase of malt or
12 brewed beverages from a manufacturer of malt or brewed
13 beverages, distributor or importing distributor by any person
14 for any purpose, except purchases from a manufacturer of malt or
15 brewed beverages by a distributor or importing distributor or
16 purchases from an importing distributor by a distributor within
17 the meaning of the Liquor Code. The term does not include any
18 purchase of malt or brewed beverages from a retail dispenser or
19 any purchase of liquor or malt or brewed beverages from a person
20 holding a retail liquor license within the meaning of and
21 pursuant to the provisions of the Liquor Code, but includes any
22 purchase or acquisition of liquor or malt or brewed beverages
23 other than pursuant to the provisions of the Liquor Code.

24 (g) "Purchase price."

25 (1) The total value of anything paid or delivered, or
26 promised to be paid or delivered, whether money or otherwise,
27 in complete performance of a sale at retail or purchase at
28 retail, without any deduction on account of the cost or value
29 of the property sold, cost or value of transportation, cost
30 or value of labor or service, interest or discount paid or

1 allowed after the sale is consummated, any other taxes
2 imposed by the Commonwealth or any other expense except that
3 there shall be excluded any gratuity or separately stated
4 deposit charge for returnable containers.

5 (2) The value of any tangible personal property actually
6 taken in trade or exchange in lieu of the whole or any part
7 of the purchase price shall be deducted from the purchase
8 price. For the purpose of this clause, the amount allowed by
9 reason of tangible personal property actually taken in trade
10 or exchange shall be considered the value of such property.

11 (3) (i) In determining the purchase price on the sale
12 or use of taxable tangible personal property or a service
13 where, because of affiliation of interests between the
14 vendor and purchaser, or irrespective of any such
15 affiliation, if for any other reason the purchase price
16 declared by the vendor or taxpayer on the taxable sale or
17 use of such tangible personal property or service is, in
18 the opinion of the department, not indicative of the true
19 value of the article or service or the fair price
20 thereof, the department shall, pursuant to uniform and
21 equitable rules, determine the amount of constructive
22 purchase price on the basis of which the tax shall be
23 computed and levied. The rules shall provide for a
24 constructive amount of purchase price for each sale or
25 use which would naturally and fairly be charged in an
26 arm's-length transaction in which the element of common
27 interest between the vendor or purchaser is absent or, if
28 no common interest exists, any other element causing a
29 distortion of the price or value is likewise absent.

30 (ii) For the purpose of this clause where a taxable

1 sale or purchase at retail transaction occurs between a
2 parent and a subsidiary, affiliate or controlled
3 corporation of such parent corporation, there shall be a
4 rebuttable presumption, that because of the common
5 interest, the transaction was not at arm's length.

6 (4) Where there is a transfer or retention of possession
7 or custody, whether it is termed a rental, lease, service or
8 otherwise, of tangible personal property including, but not
9 limited to, linens, aprons, motor vehicles, trailers, tires,
10 industrial office and construction equipment, and business
11 machines the full consideration paid or delivered to the
12 vendor or lessor shall be considered the purchase price, even
13 though the consideration is separately stated and designated
14 as payment for processing, laundering, service, maintenance,
15 insurance, repairs, depreciation or otherwise. Where the
16 vendor or lessor supplies or provides an employee to operate
17 the tangible personal property, the value of the labor
18 supplied may be excluded and shall not be considered as part
19 of the purchase price if separately stated. There shall also
20 be included as part of the purchase price the value of
21 anything paid or delivered, or promised to be paid or
22 delivered by a lessee, whether money or otherwise, to any
23 person other than the vendor or lessor by reason of the
24 maintenance, insurance or repair of the tangible personal
25 property which a lessee has the possession or custody of
26 under a rental contract or lease arrangement.

27 (5) (i) With respect to the tax imposed by section
28 702(a)(2), on any tangible personal property originally
29 purchased by the user of the property six months or
30 longer prior to the first taxable use of the property

1 within this Commonwealth, the user may elect to pay tax
2 on a substituted base determined by considering the
3 purchase price of the property for tax purposes to be
4 equal to the prevailing market price of similar tangible
5 personal property at the time and place of the first use
6 within this Commonwealth.

7 (ii) The election must be made at the time of filing
8 a tax return with the department and reporting the tax
9 liability and paying the proper tax due plus all accrued
10 penalties and interest, if any, within six months of the
11 due date of such report and payment, as provided for by
12 section 717(a) and (c).

13 (6) The purchase price of employment agency services and
14 help supply services shall be the service fee paid by the
15 purchaser to the vendor or supplying entity. The term
16 "service fee," as used in this subclause, means the total
17 charge or fee of the vendor or supplying entity minus the
18 costs of the supplied employee which costs are wages,
19 salaries, bonuses and commissions, employment benefits,
20 expense reimbursements and payroll and withholding taxes, to
21 the extent that these costs are specifically itemized or that
22 these costs in aggregate are stated in billings from the
23 vendor or supplying entity. To the extent that these costs
24 are not itemized or stated on the billings, then the service
25 fee shall be the total charge or fee of the vendor or
26 supplying entity.

27 (7) Unless the vendor separately states that portion of
28 the billing which applies to premium cable service as defined
29 in clause (11), the total bill for the provision of all cable
30 services shall be the purchase price.

1 (8) The purchase price of prebuilt housing shall be 60%
2 of the manufacturer's selling price, provided that a
3 manufacturer of prebuilt housing who precollects tax from a
4 prebuilt housing builder at the time of the sale to the
5 prebuilt housing builder shall have the option to collect tax
6 on 60% of the selling price or on 100% of the actual cost of
7 the supplies and materials used in the manufacture of the
8 prebuilt housing.

9 (9) Amounts representing on-the-spot cash discounts,
10 employee discounts, volume discounts, store discounts such as
11 "buy one, get one free," wholesaler's or trade discounts,
12 rebates and store or manufacturer's coupons shall establish a
13 new purchase price if both the item and the coupon are
14 described on the invoice or cash register tape. An amount
15 representing a discount allowed for prompt payment of bills
16 which is dependent upon an event occurring after the
17 completion of the sale may not be deducted in computing the
18 tax. A sale is completed when there is a transfer of
19 ownership of the property or services to the purchaser.

20 (h) "Purchaser." Any person who acquires, for a
21 consideration, the ownership, custody or possession by sale,
22 lease or otherwise of tangible personal property, or who obtains
23 services in exchange for a purchase price but not including an
24 employer who obtains services from his employees in exchange for
25 wages or salaries when such services are rendered in the
26 ordinary scope of their employment.

27 (i) "Resale."

28 (1) Any transfer of ownership, custody or possession of
29 tangible personal property for a consideration, including the
30 grant of a license to use or consume and transactions where

1 the possession of the property is transferred but where the
2 transferor retains title only as security for payment of the
3 selling price whether the transaction is designated as
4 bailment lease, conditional sale or otherwise.

5 (2) The physical incorporation of tangible personal
6 property as an ingredient or constituent into other tangible
7 personal property, which is to be sold in the regular course
8 of business or the performance of those services described in
9 subclauses (2), (3) and (4) of clause (k) upon tangible
10 personal property which is to be sold in the regular course
11 of business or where the person incorporating the property
12 has undertaken at the time of purchase to cause it to be
13 transported in interstate commerce to a destination outside
14 this Commonwealth. The term includes telecommunications
15 services purchased by a cable operator or video programmer
16 that are used to transport or deliver cable or video
17 programming services which are sold in the regular course of
18 business.

19 (3) The term also includes tangible personal property
20 purchased or having a situs within this Commonwealth solely
21 for the purpose of being processed, fabricated or
22 manufactured into, attached to or incorporated into tangible
23 personal property and thereafter transported outside this
24 Commonwealth for use exclusively outside this Commonwealth.

25 (4) The term does not include any sale of malt or brewed
26 beverages by a retail dispenser, or any sale of liquor or
27 malt or brewed beverages by a person holding a retail liquor
28 license within the meaning of the act of April 12, 1951
29 (P.L.90, No.21), known as the Liquor Code.

30 (5) The physical incorporation of tangible personal

1 property as an ingredient or constituent in the construction
2 of foundations for machinery or equipment the sale or use of
3 which is excluded from tax under the provisions of paragraphs
4 (A), (B), (C) and (D) of subclause (8) of clause (k) and
5 subparagraphs (i), (ii), (iii) and (iv) of paragraph (B) of
6 subclause (4) of clause (o), whether the foundations at the
7 time of construction or transfer constitute tangible personal
8 property or real estate.

9 (6) The sale at retail or use of services performed for
10 resale in the ordinary course of business of the purchaser or
11 user of such services.

12 (7) The sale at retail or use of services that are
13 otherwise taxable that are an integral, inseparable part of
14 the services that are to be sold or used that are taxable.

15 (j) "Resident."

16 (1) Any natural person:

17 (i) who is domiciled in this Commonwealth; or

18 (ii) who maintains a permanent place of abode within
19 this Commonwealth and spends in the aggregate more than
20 60 days of the year within this Commonwealth.

21 (2) Any corporation:

22 (i) incorporated under the laws of this
23 Commonwealth;

24 (ii) authorized to do business or doing business
25 within this Commonwealth; or

26 (iii) maintaining a place of business within this
27 Commonwealth.

28 (3) Any association, fiduciary, partnership or other
29 entity:

30 (i) domiciled in this Commonwealth;

1 (ii) authorized to do business or doing business
2 within this Commonwealth; or

3 (iii) maintaining a place of business within this
4 Commonwealth.

5 (k) "Sale at retail."

6 (1) Any transfer, for a consideration, of the ownership,
7 custody or possession of tangible personal property,
8 including the grant of a license to use or consume whether
9 the transfer is absolute or conditional and by any means the
10 transfer is effected.

11 (2) The rendition of the service of printing or
12 imprinting of tangible personal property for a consideration
13 for persons who furnish, either directly or indirectly, the
14 materials used in the printing or imprinting.

15 (3) The rendition for a consideration of the service of:

16 (i) washing, cleaning, waxing, polishing or
17 lubricating of motor vehicles of another, regardless of
18 whether any tangible personal property is transferred in
19 conjunction with the activity; and

20 (ii) inspecting motor vehicles pursuant to the
21 mandatory requirements of 75 Pa.C.S. (relating to
22 vehicles).

23 (4) The rendition for a consideration of the service of
24 repairing, altering, mending, pressing, fitting, dyeing,
25 laundering, drycleaning or cleaning tangible personal
26 property other than wearing apparel or shoes, or applying or
27 installing tangible personal property as a repair or
28 replacement part of other tangible personal property other
29 than wearing apparel or shoes for a consideration, regardless
30 of whether the services are performed directly or by any

1 means other than by coin-operated self-service laundry
2 equipment for wearing apparel or household goods and whether
3 or not any tangible personal property is transferred in
4 conjunction with the activity, except such services as are
5 rendered in the construction, reconstruction, remodeling,
6 repair or maintenance of real estate.

7 (5) (Reserved).

8 (6) (Reserved).

9 (7) (Reserved).

10 (8) Any retention of possession, custody or a license to
11 use or consume tangible personal property or any further
12 obtaining of services described in subclauses (2), (3) and
13 (4) of this clause pursuant to a rental or service contract
14 or other arrangement (other than as security). The term does
15 not include:

16 (i) any transfer of tangible personal property or
17 rendition of services for the purpose of resale; or

18 (ii) the rendition of services or the transfer of
19 tangible personal property, including, but not limited
20 to, machinery and equipment and their parts and supplies
21 to be used or consumed by the purchaser directly in the
22 operations of:

23 (A) The manufacture of tangible personal
24 property.

25 (B) Farming, dairying, agriculture, horticulture
26 or floriculture when engaged in as a business
27 enterprise. The term "farming" includes the
28 propagation and raising of ranch raised fur-bearing
29 animals and the propagation of game birds for
30 commercial purposes by holders of propagation permits

1 issued under 34 Pa.C.S. (relating to game) and the
2 propagation and raising of horses to be used
3 exclusively for commercial racing activities.

4 (C) The producing, delivering or rendering of a
5 public utility service, or in constructing,
6 reconstructing, remodeling, repairing or maintaining
7 the facilities which are directly used in producing,
8 delivering or rendering the service.

9 (D) Processing as defined in clause (d). The
10 exclusions provided in this paragraph or paragraph
11 (A), (B) or (C) do not apply to any vehicle required
12 registered under 75 Pa.C.S. (relating to vehicles),
13 except those vehicles used directly by a public
14 utility engaged in business as a common carrier; to
15 maintenance facilities; or to materials, supplies or
16 equipment to be used or consumed in the construction,
17 reconstruction, remodeling, repair or maintenance of
18 real estate other than directly used machinery,
19 equipment, parts or foundations that may be affixed
20 to such real estate. The exclusions provided in this
21 paragraph or paragraph (A), (B) or (C) do not apply
22 to tangible personal property or services to be used
23 or consumed in managerial sales or other
24 nonoperational activities, nor to the purchase or use
25 of tangible personal property or services by any
26 person other than the person directly using the same
27 in the operations described in this paragraph or
28 paragraph (A), (B) or (C).

29 The exclusion provided in paragraph (C) does not apply to:

30 (i) construction materials, supplies or equipment

1 used to construct, reconstruct, remodel, repair or
2 maintain facilities not used directly by the purchaser in
3 the production, delivering or rendition of public utility
4 service;

5 (ii) construction materials, supplies or equipment
6 used to construct, reconstruct, remodel, repair or
7 maintain a building, road or similar structure; or

8 (iii) tools and equipment used but not installed in
9 the maintenance of facilities used directly in the
10 production, delivering or rendition of a public utility
11 service.

12 The exclusions provided in paragraphs (A), (B), (C) and (D)
13 do not apply to the services enumerated in clauses (k) (11)
14 through (18) and (w) through (kk), except that the exclusion
15 provided in this subclause for farming, dairying and
16 agriculture shall apply to the service enumerated in clause
17 (z).

18 (9) Where tangible personal property or services are
19 utilized for purposes constituting a sale at retail and for
20 purposes excluded from the definition of "sale at retail," it
21 shall be presumed that the tangible personal property or
22 services are utilized for purposes constituting a sale at
23 retail and subject to tax unless the user proves to the
24 department that the predominant purposes for which such
25 tangible personal property or services are utilized do not
26 constitute a sale at retail.

27 (10) The term, with respect to liquor and malt or brewed
28 beverages, includes the sale of liquor by any Pennsylvania
29 liquor store to any person for any purpose, and the sale of
30 malt or brewed beverages by a manufacturer of malt or brewed

1 beverages, distributor or importing distributor to any person
2 for any purpose, except sales by a manufacturer of malt or
3 brewed beverages to a distributor or importing distributor or
4 sales by an importing distributor to a distributor within the
5 meaning of the act of April 12, 1951 (P.L.90, No.21), known
6 as the Liquor Code. The term does not include any sale of
7 malt or brewed beverages by a retail dispenser or any sale of
8 liquor or malt or brewed beverages by a person holding a
9 retail liquor license within the meaning of and pursuant to
10 the provisions of the Liquor Code, but shall include any sale
11 of liquor or malt or brewed beverages other than pursuant to
12 the provisions of the Liquor Code.

13 (11) The rendition for a consideration of lobbying
14 services.

15 (12) The rendition for a consideration of adjustment
16 services, collection services or credit reporting services.

17 (13) The rendition for a consideration of secretarial or
18 editing services.

19 (14) The rendition for a consideration of disinfecting
20 or pest control services, building maintenance or cleaning
21 services.

22 (15) The rendition for a consideration of employment
23 agency services or help supply services.

24 (16) (Reserved).

25 (17) The rendition for a consideration of lawn care
26 service.

27 (18) The rendition for a consideration of self-storage
28 service.

29 (19) The rendition for a consideration of a mobile
30 telecommunications service.

1 (20) Except as otherwise provided under section 704, the
2 rendition for a consideration of any service enumerated in
3 clause (dd) when the primary objective of the purchaser is
4 the receipt of any benefit of the service performed, as
5 distinguished from the receipt of property.

6 (1) "Storage." Any keeping or retention of tangible
7 personal property within this Commonwealth for any purpose
8 including the interim keeping, retaining or exercising any right
9 or power over such tangible personal property. This term is in
10 no way limited to the provision of self-storage service.

11 (m) "Tangible personal property." Corporeal personal
12 property including, but not limited to, goods, wares,
13 merchandise, steam and natural and manufactured and bottled gas
14 for non-residential use, electricity for non-residential use,
15 prepaid telecommunications, cable or video programming service,
16 spirituous or vinous liquor and malt or brewed beverages and
17 soft drinks, interstate telecommunications service originating
18 or terminating in this Commonwealth and charged to a service
19 address in this Commonwealth, intrastate telecommunications
20 service with the exception of:

21 (1) Subscriber line charges and basic local telephone
22 service for residential use.

23 (2) Charges for telephone calls paid for by inserting
24 money into a telephone accepting direct deposits of money to
25 operate, provided further, the service address of any
26 intrastate telecommunications service is deemed to be within
27 this Commonwealth or within a political subdivision,
28 regardless of how or where billed or paid.

29 In the case of any interstate or intrastate telecommunications
30 service, any charge paid through a credit or payment mechanism

1 which does not relate to a service address, such as a bank,
2 travel, credit or debit card, but not including prepaid
3 telecommunications, is deemed attributable to the address of
4 origination of the telecommunications service.

5 (n) "Taxpayer." Any person required to pay or collect the
6 tax imposed by this chapter.

7 (o) "Use."

8 (1) The exercise of any right or power incidental to the
9 ownership, custody or possession of tangible personal
10 property and includes, but is not limited to, transportation,
11 storage or consumption.

12 (2) The obtaining by a purchaser of the service of
13 printing or imprinting of tangible personal property when the
14 purchaser furnishes, either directly or indirectly, the
15 articles used in the printing or imprinting.

16 (3) The obtaining by a purchaser of the services of:

17 (i) washing, cleaning, waxing, polishing or
18 lubricating of motor vehicles regardless of whether any
19 tangible personal property is transferred to the
20 purchaser in conjunction with the services; and

21 (ii) inspecting motor vehicles pursuant to the
22 mandatory requirements of 75 Pa.C.S. (relating to
23 vehicles).

24 (4) The obtaining by a purchaser of the service of
25 repairing, altering, mending, pressing, fitting, dyeing,
26 laundering, drycleaning or cleaning tangible personal
27 property other than wearing apparel or shoes or applying or
28 installing tangible personal property as a repair or
29 replacement part of other tangible personal property,
30 including, but not limited to, wearing apparel or shoes,

1 regardless of whether the services are performed directly or
2 by any means other than by means of coin-operated self-
3 service laundry equipment for wearing apparel or household
4 goods, and regardless of whether any tangible personal
5 property is transferred to the purchaser in conjunction with
6 the activity, therewith, except such services are obtained in
7 the construction, reconstruction, remodeling, repair or
8 maintenance of real estate. The term "use" does not include:

9 (i) Any tangible personal property acquired and
10 kept, retained or over which power is exercised within
11 this Commonwealth on which the taxing of the storage, use
12 or other consumption thereof is expressly prohibited by
13 the Constitution of the United States or which is
14 excluded from tax under other provisions of this chapter.

15 (ii) The use or consumption of tangible personal
16 property, including, but not limited to, machinery and
17 equipment and parts therefor, and supplies or the
18 obtaining of the services described in subclauses (2),
19 (3) and (4) of this clause directly in the operations of:

20 (A) The manufacture of tangible personal
21 property.

22 (B) Farming, dairying, agriculture, horticulture
23 or floriculture when engaged in as a business
24 enterprise. The term includes the propagation and
25 raising of ranch-raised furbearing animals and the
26 propagation of game birds for commercial purposes by
27 holders of propagation permits issued under 34
28 Pa.C.S. (relating to game) and the propagation and
29 raising of horses to be used exclusively for
30 commercial racing activities.

1 (C) The producing, delivering or rendering of a
2 public utility service, or in constructing,
3 reconstructing, remodeling, repairing or maintaining
4 the facilities which are directly used in producing,
5 delivering or rendering such service.

6 (D) Processing as defined in subclause (d).

7 The exclusions provided in subparagraphs (i),
8 (ii) and (iii) and this subparagraph do not apply to
9 any vehicle required to be registered under 75
10 Pa.C.S. (relating to vehicles) except those vehicles
11 directly used by a public utility engaged in the
12 business as a common carrier; to maintenance
13 facilities; or to materials, supplies or equipment to
14 be used or consumed in the construction,
15 reconstruction, remodeling, repair or maintenance of
16 real estate other than directly used machinery,
17 equipment, parts or foundations therefor that may be
18 affixed to such real estate. The exclusions provided
19 in subparagraphs (i), (ii), (iii) and this
20 subparagraph do not apply to tangible personal
21 property or services to be used or consumed in
22 managerial sales or other nonoperational activities,
23 nor to the purchase or use of tangible personal
24 property or services by any person other than the
25 person directly using the same in the operations
26 described in subparagraphs (i), (ii), (iii) and this
27 subparagraph. The exclusion provided in subparagraph
28 (iii) does not apply to:

29 (I) construction materials, supplies or
30 equipment used to construct, reconstruct,

1 remodel, repair or maintain facilities not used
2 directly by the purchaser in the production,
3 delivering or rendition of public utility
4 service; or

5 (II) tools and equipment used but not
6 installed in the maintenance of facilities used
7 directly in the production, delivering or
8 rendition of a public utility service.

9 The exclusion provided in subparagraphs (i), (ii), (iii)
10 and this subparagraph does not apply to the services
11 enumerated in clauses (9) through (16) and (w) through
12 (kk), except that the exclusion provided in subparagraph
13 (ii) for farming, dairying and agriculture shall apply to
14 the service enumerated in clause (z).

15 (5) Where tangible personal property or services are
16 utilized for purposes constituting a use, and for purposes
17 excluded from the definition of "use," it shall be presumed
18 that the property or services are utilized for purposes
19 constituting a sale at retail and subject to tax unless the
20 user proves to the department that the predominant purposes
21 for which the property or services are utilized do not
22 constitute a sale at retail.

23 (6) The term, with respect to liquor and malt or brewed
24 beverages, includes the purchase of liquor from any
25 Pennsylvania Liquor Store by any person for any purpose and
26 the purchase of malt or brewed beverages from a manufacturer
27 of malt or brewed beverages, distributor or importing
28 distributor by any person for any purpose, except purchases
29 from a manufacturer of malt or brewed beverages by a
30 distributor or importing distributor, or purchases from an

1 importing distributor by a distributor within the meaning of
2 the act of April 12, 1951 (P.L.90, No.21), known as the
3 Liquor Code. The term does not include any purchase of malt
4 or brewed beverages from a retail dispenser or any purchase
5 of liquor or malt or brewed beverages from a person holding a
6 retail liquor license within the meaning of and pursuant to
7 the provisions of the Liquor Code, but includes the exercise
8 of any right or power incidental to the ownership, custody or
9 possession of liquor or malt or brewed beverages obtained by
10 the person exercising the right or power in any manner other
11 than pursuant to the provisions of the Liquor Code.

12 (7) The use of tangible personal property purchased at
13 retail on which the services described in subclauses (2), (3)
14 and (4) of this clause have been performed shall be deemed to
15 be a use of said services by the person using the property.

16 (8) (Reserved).

17 (9) The obtaining by the purchaser of lobbying services.

18 (10) The obtaining by the purchaser of adjustment
19 services, collection services or credit reporting services.

20 (11) The obtaining by the purchaser of secretarial or
21 editing services.

22 (12) The obtaining by the purchaser of disinfecting or
23 pest control services, building maintenance or cleaning
24 services.

25 (13) The obtaining by the purchaser of employment agency
26 services or help supply services.

27 (14) (Reserved).

28 (15) The obtaining by the purchaser of lawn care
29 service.

30 (16) The obtaining by the purchaser of self-storage

1 service.

2 (17) The obtaining by a construction contractor of
3 tangible personal property or services provided to tangible
4 personal property which will be used pursuant to a
5 construction contract regardless of whether the tangible
6 personal property or services are transferred.

7 (18) The obtaining of mobile telecommunications service
8 by a customer.

9 (19) Except as otherwise provided under section 704, the
10 obtaining by the purchaser of any service enumerated in
11 clause (dd) when the primary objective of the purchaser is
12 the receipt of any benefit of the service performed, as
13 distinguished from the receipt of property.

14 (p) "Vendor." Any person maintaining a place of business in
15 this Commonwealth, selling or leasing tangible personal
16 property, or rendering services, the sale or use of which is
17 subject to the tax imposed by this chapter but not including any
18 employee who in the ordinary scope of employment renders
19 services to his employer in exchange for wages and salaries.

20 (q) "NAICS." The 2012 North American Industry
21 Classification System developed by the Federal Office of
22 Management and Budget and published in the Federal Register,
23 Vol. 76, No. 159, on August 17, 2011, or its successor revision.

24 (r) "Gratuity." Any amount paid or remitted for services
25 performed in conjunction with any sale of food or beverages, or
26 hotel or motel accommodations which amount is in excess of the
27 charges and the tax for such food, beverages or accommodations
28 regardless of the method of billing or payment.

29 (s) "Commercial aircraft operator." A person, excluding a
30 scheduled airline who engages in any or all of the following:

1 charter of aircraft, leasing of aircraft, aircraft sales,
2 aircraft rental, flight instruction, air freight or any other
3 flight activities for compensation.

4 (t) "Transient vendor."

5 (1) Any person who:

6 (i) brings into this Commonwealth, by automobile,
7 truck or other means of transportation, or purchases in
8 this Commonwealth tangible personal property the sale or
9 use of which is subject to the tax imposed by this
10 chapter or comes into this Commonwealth to perform
11 services the sale or use of which is subject to the tax
12 imposed by this chapter;

13 (ii) offers or intends to offer the tangible
14 personal property or services for sale at retail within
15 this Commonwealth; and

16 (iii) does not maintain an established office,
17 distribution house, saleshouse, warehouse, service
18 enterprise, residence from which business is conducted or
19 other place of business within this Commonwealth.

20 (2) The term does not include a person who delivers
21 tangible personal property within this Commonwealth pursuant
22 to orders for the property which were solicited or placed by
23 mail or other means.

24 (3) The term does not include a person who handcrafts
25 items for sale at special events, including, but not limited
26 to, fairs, carnivals, art and craft shows and other festivals
27 and celebrations within this Commonwealth.

28 (u) "Promoter." A person who either, directly or
29 indirectly, rents, leases or otherwise operates or grants
30 permission to any person to use space at a show for the display

1 for sale or for the sale of tangible personal property or
2 services subject to tax under section 702.

3 (v) "Show." An event, the primary purpose of which involves
4 the display or exhibition of any tangible personal property or
5 services for sale, including, but not limited to, a flea market,
6 antique show, coin show, stamp show, comic book show, hobby
7 show, automobile show, fair or any similar show, whether held
8 regularly or of a temporary nature, at which more than one
9 vendor displays for sale or sells tangible personal property or
10 services subject to tax under section 702.

11 (w) "Lobbying services." Providing the services of a
12 lobbyist, as defined in the definition of "lobbyist" in 65
13 Pa.C.S. Ch. 13A (relating to lobbying disclosure).

14 (x) "Adjustment services, collection services or credit
15 reporting services." Providing collection or adjustments of
16 accounts receivable or mercantile or consumer credit reporting,
17 including, but not limited to, services of the type provided by
18 adjustment bureaus or collection agencies, consumer or
19 mercantile credit reporting bureaus, credit bureaus or agencies,
20 credit clearinghouses or credit investigation services. The term
21 does not include providing credit card service with collection
22 by a central agency, providing debt counseling or adjustment
23 services to individuals or billing or collection services
24 provided by local exchange telephone companies.

25 (y) "Secretarial or editing services." Providing services
26 which include, but are not limited to, editing, letter writing,
27 proofreading, resume writing, typing or word processing. The
28 term does not include court reporting and stenographic services.

29 (z) "Disinfecting or pest control services." Providing
30 disinfecting, termite control, insect control, rodent control or

1 other pest control services. The term includes, but is not
2 limited to, deodorant servicing of rest rooms, washroom
3 sanitation service, rest room cleaning service, extermination
4 service or fumigating service. As used in this clause, the term
5 "fumigating service" does not include the fumigation of
6 agricultural commodities or containers used for agricultural
7 commodities. As used in this clause, the term "insect control"
8 does not include the gypsy moth control spraying of trees which
9 are harvested for commercial purposes.

10 (aa) "Building maintenance or cleaning services." Providing
11 services which include, but are not limited to, janitorial, maid
12 or housekeeping service, office or interior building cleaning or
13 maintenance service, window cleaning service, floor waxing
14 service, lighting maintenance service such as bulb replacement,
15 cleaning, chimney cleaning service, acoustical tile cleaning
16 service, venetian blind cleaning, cleaning and maintenance of
17 telephone booths or cleaning and degreasing of service stations.
18 The term does not include: repairs on buildings and other
19 structures; the maintenance or repair of boilers, furnaces and
20 residential air conditioning equipment or their parts; the
21 painting, wallpapering or applying other like coverings to
22 interior walls, ceilings or floors; or the exterior painting of
23 buildings.

24 (bb) "Employment agency services." Providing employment
25 services to a prospective employer or employee other than
26 employment services provided by theatrical employment agencies
27 and motion picture casting bureaus. The term includes, but is
28 not limited to, services of the type provided by employment
29 agencies, executive placing services and labor contractor
30 employment agencies other than farm labor.

1 (cc) "Help supply services." Providing temporary or
2 continuing help where the help supplied is on the payroll of the
3 supplying person or entity, but is under the supervision of the
4 individual or business to which help is furnished. The term
5 includes, but is not limited to, service of a type provided by
6 labor and manpower pools, employee leasing services, office help
7 supply services, temporary help services, usher services,
8 modeling services or fashion show model supply services. The
9 term does not include: providing farm labor services or human
10 health-related services, including nursing, home health care and
11 personal care. As used in this clause, "personal care" shall
12 include providing at least one of the following types of
13 assistance to persons with limited ability for self-care:

- 14 (1) dressing, bathing or feeding;
15 (2) supervising self-administered medication;
16 (3) transferring a person to or from a bed or
17 wheelchair; or
18 (4) routine housekeeping chores when provided in
19 conjunction with and supplied by the same provider of the
20 assistance listed in subclause (1), (2) or (3).

21 (dd) "NAICS taxable services." Any service performed in
22 this Commonwealth as defined in the following subsectors and
23 industries of the revised 2012 NAICS developed by the Federal
24 Office of Management and Budget and published in the Federal
25 Register, Vol. 76, No. 159, on August 17, 2011, or its successor
26 revision:

- 27 481, for intrastate transport of persons
28 482, for intrastate transport of persons
29 483, for intrastate transport of persons
30 4851, for intrastate transport of persons

1 4852, for intrastate transport of persons
2 4853, for intrastate transport of persons
3 4855, for intrastate transport of persons
4 4859, for intrastate transport of persons
5 487
6 48841
7 5111
8 5112
9 5121
10 512131
11 512132
12 523930
13 541
14 5611
15 5612
16 5613
17 5614
18 5615
19 5619
20 5621

21 Nontuition and non-housing-related charges imposed by the
22 following industries: 6112, 6113, 6114, 6115 and 6116

23 6216, 6219, 6231, 6232, 6233, 6239, 6241, 6242, 6243,

24 unless provided by a nonprofit organization

25 6244

26 7111, unless imposed by industry 611110 or a nonprofit
27 corporation or nonprofit unincorporated association under the
28 laws of this Commonwealth or the United States or any entity
29 that is authorized to do business in this Commonwealth as a
30 nonprofit corporation or unincorporated association under the

1 laws of this Commonwealth, including a youth or athletic,
2 volunteer fire, ambulance, religious, charitable, fraternal,
3 veterans or civic association or any separately chartered
4 auxiliary of the foregoing and operated on a nonprofit basis

5 7112, unless imposed by industry 611110 or a nonprofit
6 corporation or nonprofit unincorporated association under the
7 laws of this Commonwealth or the United States or any entity
8 that is authorized to do business in this Commonwealth as a
9 nonprofit corporation or unincorporated association under the
10 laws of this Commonwealth, including a youth or athletic,
11 volunteer fire, ambulance, religious, charitable, fraternal,
12 veterans or civic association or any separately chartered
13 auxiliary of the foregoing and operated on a nonprofit basis

14 7113

15 7114

16 712

17 7131

18 7139

19 7212

20 7224

21 8121

22 8122

23 8123

24 8129

25 (ee) (Reserved).

26 (ff) (Reserved).

27 (gg) (Reserved).

28 (hh) (Reserved).

29 (ii) (Reserved).

30 (jj) "Lawn care service." Providing services for lawn

1 upkeep, including, but not limited to, fertilizing, lawn mowing,
2 shrubbery trimming or other lawn treatment services.

3 (kk) "Self-storage service." Providing a building, a room
4 in a building or a secured area within a building with separate
5 access provided for each purchaser of self-storage service,
6 primarily for the purpose of storing personal property. The term
7 does not include service involving:

- 8 (1) safe deposit boxes by financial institutions;
- 9 (2) storage in refrigerator or freezer units;
- 10 (3) storage in commercial warehouses;
- 11 (4) facilities for goods distribution; and
- 12 (5) lockers in airports, bus stations, museums and other
13 public places.

14 (ll) "Cable or video programming service." Cable television
15 services, video programming services, community antenna
16 television services or any other distribution of television,
17 video, audio or radio services which is transmitted with or
18 without the use of wires to purchasers.

19 If a purchaser receives or agrees to receive cable or video
20 programming service, then the following charges are included in
21 the purchase price: charges for installation or repair of any
22 cable or video programming service, upgrade to include
23 additional premium cable or premium video programming service,
24 downgrade to exclude all or some premium cable or premium video
25 programming service, additional cable outlets in excess of 10 or
26 any other charge or fee related to cable or video programming
27 services. The term does not apply to: transmissions by public
28 television, public radio services or official Federal, State or
29 local government cable services; local origination programming
30 which provides a variety of public service programs unique to

1 the community, programming which provides coverage of public
2 affairs issues which are presented without commentary or
3 analysis, including United States Congressional proceedings, or
4 programming which is substantially related to religious
5 subjects; or subscriber charges for access to a video dial tone
6 system or charges by a common carrier to a video programmer for
7 the transport of video programming.

8 (mm) (Reserved).

9 (nn) "Construction contract." A written or oral contract or
10 agreement for the construction, reconstruction, remodeling,
11 renovation or repair of real estate or a real estate structure.
12 The term shall not apply to services which are taxable under
13 clauses (k) (14) and (17) and (o) (12) and (15).

14 (oo) "Construction contractor." A person who performs an
15 activity pursuant to a construction contract, including a
16 subcontractor.

17 (pp) "Building machinery and equipment." Generation
18 equipment, storage equipment, conditioning equipment,
19 distribution equipment and termination equipment, limited to the
20 following:

21 (1) air conditioning limited to heating, cooling,
22 purification, humidification, dehumidification and
23 ventilation;

24 (2) electrical;

25 (3) plumbing;

26 (4) communications limited to voice, video, data, sound,
27 master clock and noise abatement;

28 (5) alarms limited to fire, security and detection;

29 (6) control system limited to energy management, traffic
30 and parking lot and building access;

- 1 (7) medical system limited to diagnosis and treatment
- 2 equipment, medical gas, nurse call and doctor paging;
- 3 (8) laboratory system;
- 4 (9) cathodic protection system; or
- 5 (10) furniture, cabinetry and kitchen equipment.

6 The term includes boilers, chillers, air cleaners, humidifiers,
7 fans, switchgear, pumps, telephones, speakers, horns, motion
8 detectors, dampers, actuators, grills, registers, traffic
9 signals, sensors, card access devices, guardrails, medial
10 devices, floor troughs and grates and laundry equipment,
11 together with integral coverings and enclosures, regardless of
12 whether: the item constitutes a fixture or is otherwise affixed
13 to the real estate; damage would be done to the item or its
14 surroundings on removal; or the item is physically located
15 within a real estate structure. The term does not include
16 guardrail posts, pipes, fittings, pipe supports and hangers,
17 valves, underground tanks, wire, conduit, receptacle and
18 junction boxes, insulation, ductwork and coverings.

19 (qq) "Real estate structure." A structure or item purchased
20 by a construction contractor pursuant to a construction contract
21 with:

22 (1) a charitable organization, a volunteer firemen's
23 organization, a nonprofit educational institution or a
24 religious organization for religious purposes and which
25 qualifies as an institution of purely public charity under
26 the act of November 26, 1997 (P.L.508, No.55), known as the
27 Institutions of Purely Public Charity Act;

28 (2) the United States; or

29 (3) the Commonwealth, its instrumentalities or political
30 subdivisions.

1 The term includes building machinery and equipment; developed or
2 undeveloped land; streets; roads; highways; parking lots;
3 stadiums and stadium seating; recreational courts; sidewalks;
4 foundations; structural supports; walls; floors; ceilings;
5 roofs; doors; canopies; millwork; elevators; windows and
6 external window coverings; outdoor advertising boards or signs;
7 airport runways; bridges; dams; dikes; traffic control devices,
8 including traffic signs; satellite dishes; antennas; guardrail
9 posts; pipes; fittings; pipe supports and hangers; valves;
10 underground tanks; wire; conduit; receptacle and junction boxes;
11 insulation; ductwork and coverings; and any structure or item
12 similar to any of the foregoing, regardless of whether the
13 structure or item constitutes a fixture or is affixed to the
14 real estate; or damage would be done to the structure or item or
15 its surroundings on removal.

16 (rr) "Telecommunications service." Any one-way transmission
17 or any two-way, interactive transmission of sounds, signals or
18 other intelligence converted to like form which effects or is
19 intended to effect meaningful communications by electronic or
20 electromagnetic means via wire, cable, satellite, light waves,
21 microwaves, radio waves or other transmission media. The term
22 includes all types of telecommunication transmissions, local,
23 toll, wide-area or any other type of telephone service; private
24 line service; telegraph service; radio repeater service;
25 wireless communication service; personal communications system
26 service; cellular telecommunication service; specialized mobile
27 radio service; stationary two-way radio service; and paging
28 service. The term does not include any of the following:

29 (1) Subscriber charges for access to a video dial tone
30 system.

1 (2) Charges to video programmers for the transport of
2 video programming.

3 (3) Charges for access to the Internet. Access to the
4 Internet does not include any of the following:

5 (i) The transport over the Internet or any
6 proprietary network using the Internet protocol of
7 telephone calls, facsimile transmissions or other
8 telecommunications traffic to or from end users on the
9 public switched telephone network if the signal sent from
10 or received by an end user is not in an Internet
11 protocol.

12 (ii) Telecommunication services purchased by an
13 Internet service provider to deliver access to the
14 Internet to its customers.

15 (4) Mobile telecommunications services.

16 (ss) "Internet." The international nonproprietary computer
17 network of both Federal and non-Federal interoperable packet
18 switched data networks.

19 (tt) "Commercial racing activities." Any of the following:

20 (1) Thoroughbred and harness racing at which pari-mutuel
21 wagering is conducted under 3 Pa.C.S. Ch. 93 (relating to
22 race horse industry reform).

23 (2) Fair racing sanctioned by the State Harness Racing
24 Commission.

25 (uu) "Prepaid telecommunications." A tangible item
26 containing a prepaid authorization number that can be used
27 solely to obtain telecommunications service, including any
28 renewal or increases in the prepaid amount.

29 (vv) "Prebuilt housing." Either of the following:

30 (1) Manufactured housing, including mobile homes, which

1 bears a label as required by and referred to in the act of
2 November 17, 1982 (P.L.676, No.192), known as the
3 Manufactured Housing Construction and Safety Standards
4 Authorization Act.

5 (2) Industrialized housing as defined in the act of May
6 11, 1972 (P.L.286, No.70), known as the Industrialized
7 Housing Act.

8 (ww) "Used prebuilt housing." Prebuilt housing that was
9 previously subject to a sale to a prebuilt housing purchaser.

10 (xx) "Prebuilt housing builder." A person who makes a
11 prebuilt housing sale to a prebuilt housing purchaser.

12 (yy) "Prebuilt housing sale." A sale of prebuilt housing to
13 a prebuilt housing purchaser, including a sale to a landlord,
14 without regard to whether the person making the sale is
15 responsible for installing the prebuilt housing or whether the
16 prebuilt housing becomes a real estate structure upon
17 installation. Temporary installation by a prebuilt housing
18 builder for display purposes of a unit held for resale shall not
19 be considered occupancy for residential purposes.

20 (zz) "Prebuilt housing purchaser." A person who purchases
21 prebuilt housing in a transaction and who intends to occupy the
22 unit for residential purposes in this Commonwealth.

23 (aaa) "Mobile telecommunications service." Mobile
24 telecommunications service as that term is defined in the Mobile
25 Telecommunications Sourcing Act (Public Law 106-252, 4 U.S.C. §
26 116 et seq.).

27 (bbb) "Fiscal Code." The act of April 9, 1929 (P.L.343,
28 No.176), known as The Fiscal Code.

29 (ccc) "Prepaid mobile telecommunications service." Mobile
30 telecommunications service which is paid for in advance and

1 which enables the origination of calls using an access number,
2 authorization code or both, regardless of whether manually or
3 electronically dialed, if the remaining amount of units of the
4 prepaid mobile telecommunications service is known by the
5 service provider of the prepaid mobile telecommunications
6 service on a continuous basis. The term does not include the
7 advance purchase of mobile telecommunications service if the
8 purchase is pursuant to a service contract between the service
9 provider and customer and if the service contract requires the
10 customer to make periodic payments to maintain the mobile
11 telecommunications service.

12 (ddd) (Reserved).

13 (eee) "Dental services." The general and usual services
14 rendered and care administered by doctors of dental medicine or
15 doctors of dental surgery, as defined in the act of May 1, 1933
16 (P.L.216, No.76), known as The Dental Law.

17 (fff) "Physician services." The general and usual services
18 rendered and care administered by medical doctors, as defined in
19 the act of December 20, 1985 (P.L.457, No.112), known as the
20 Medical Practice Act of 1985, or doctors of osteopathy, as
21 defined in the act of October 5, 1978 (P.L.1109, No.261), known
22 as the Osteopathic Medical Practice Act.

23 (ggg) "Clothing." All vesture, wearing apparel, raiments,
24 garments, footwear and other articles of clothing, including
25 clothing patterns and items that are to be a component part of
26 clothing, worn or carried on or about the human body including,
27 but not limited to, all accessories, ornamental wear, formal day
28 or evening apparel and articles made of fur on the hide or pelt
29 or any material imitative of fur and articles of which such fur,
30 real, imitation or synthetic, is the component material of chief

1 value, but only if such value is more than three times the value
2 of the next most valuable component material, and sporting goods
3 and clothing not normally used or worn when not engaged in
4 sports.

5 (hhh) "Food and beverages." All food and beverages for
6 human consumption.

7 SUBCHAPTER B

8 SALES AND USE TAX

9 Section 702. Imposition of tax.

10 (a) Tax on certain sales at retail and uses of tangible
11 personal property and services.--

12 (1) There is hereby imposed on each separate sale at
13 retail of tangible personal property or services in this
14 Commonwealth a tax of 7% of the purchase price, which tax
15 shall be collected by the vendor from the purchaser, and
16 shall be paid over to the Commonwealth as provided in this
17 chapter.

18 (2) There is hereby imposed on the use in this
19 Commonwealth of tangible personal property purchased at
20 retail and on those services purchased at retail a tax of 7%
21 of the purchase price, which tax shall be paid to the
22 Commonwealth by the person who makes such use as provided
23 under this chapter, except that the tax shall not be paid to
24 the Commonwealth by the person where the person has paid the
25 tax imposed by paragraph (1) or has paid the tax imposed by
26 this subsection to the vendor with respect to the use.

27 (b) General sourcing rules.--

28 (1) All sales of products shall be sourced according to
29 this subsection by sellers obligated to collect sales and use
30 tax under this chapter. The sourcing rules described in this

1 subsection apply to sales of tangible personal property,
2 digital goods and all services other than telecommunications
3 services. This subsection only applies to determine a
4 seller's obligation to pay or collect and remit a sales or
5 use tax with respect to the seller's sale of a product. This
6 subsection does not affect the obligation of a purchaser or
7 lessee to remit tax on the use of the product to the taxing
8 jurisdictions in which the use occurs. A seller's obligation
9 to collect sales tax or use tax under this chapter only
10 occurs if the sale is sourced to this State. Whether sales
11 tax to a sale source to the Commonwealth shall be determined
12 based on the location at which the sale is consummated by
13 delivery or, in the case of a service, where the first use of
14 the service occurs.

15 (2) Sales, excluding leases or rental, of products shall
16 be sourced as follows:

17 (i) When the product is received by the purchaser at
18 a business location of the seller, the sale is sourced to
19 that business location.

20 (ii) When the product is not received by the
21 purchaser at a business location of the seller, the sale
22 is sourced to the location where receipt by the purchaser
23 or the purchaser's donee, designated such by the
24 purchaser, occurs, including the location indicated by
25 instructions for delivery to the purchaser or donee,
26 known to the seller.

27 (iii) When subparagraphs (i) and (ii) do not apply,
28 the sale is sourced to the location indicated by an
29 address for the purchaser that is available from the
30 business records of the seller that are maintained in the

1 ordinary course of the seller's business when use of this
2 address does not constitute bad faith.

3 (iv) When subparagraphs (i), (ii) and (iii) do not
4 apply, the sale is sourced to the location indicated by
5 an address for the purchaser obtained during the
6 consummation of the sale, including the address of a
7 purchaser's payment instrument, if no other address is
8 available, when use of this address does not constitute
9 bad faith.

10 (v) When subparagraphs (i), (ii), (iii) and (iv) do
11 not apply, including the circumstance where the seller is
12 without sufficient information to apply the previous
13 rules, when the location will be determined by the
14 address from which tangible personal property was
15 shipped, from which the digital good or the computer
16 software delivered electronically was first available for
17 transmission by the seller or from which the service was
18 provided disregarding for these purposes any location
19 that merely provided the digital transfer of the product
20 sold.

21 (c) Telecommunications service.--

22 (1) Notwithstanding any other provisions of this
23 chapter, the tax with respect to telecommunications service
24 within the meaning of "tangible personal property" in section
25 701 shall be computed at the rate of 7% on the total amount
26 charged to customers for the services, irrespective of
27 whether such charge is based on a flat rate or on a message
28 unit charge.

29 (2) A telecommunications service provider shall have no
30 responsibility or liability to the Commonwealth for billing,

1 collecting or remitting taxes that apply to services,
2 products or other commerce sold over telecommunications lines
3 by third-party vendors.

4 (3) To prevent actual multistate taxation of interstate
5 telecommunications service, any taxpayer, on proof that the
6 taxpayer has paid a similar tax to another state on the same
7 interstate telecommunications service, shall be allowed a
8 credit against the tax imposed by this section on the same
9 interstate telecommunications service to the extent of the
10 amount of the tax properly due and paid to the other state.

11 (4) With respect to interstate telecommunications
12 services, only services for interstate telecommunications
13 which originate or are terminated in this Commonwealth and
14 which are billed and charged to a service address in this
15 Commonwealth shall be presumed to have been performed
16 completely in this Commonwealth and shall be subject to tax
17 under this chapter.

18 (d) Coin-operated vending machines.--Notwithstanding any
19 other provisions of this chapter, the sale or use of food and
20 beverages dispensed by means of coin-operated vending machines
21 shall be taxed at the rate of 7% of the receipts collected from
22 any coin-operated vending machine which dispenses food and
23 beverages.

24 (e) Prepaid telecommunications.--

25 (1) Notwithstanding any provisions of this chapter, the
26 sale or use of prepaid telecommunications evidenced by the
27 transfer of tangible personal property shall be subject to
28 the tax imposed by subsection (a).

29 (2) The sale or use of prepaid telecommunications not
30 evidenced by the transfer of tangible personal property shall

1 be subject to the tax imposed by subsection (a) and shall be
2 deemed to occur at the purchaser's billing address.

3 (3) (i) Notwithstanding paragraph (2), the sale or use
4 of prepaid telecommunications service not evidenced by
5 the transfer of tangible personal property shall be taxed
6 at the rate of 7% of the receipts collected on each sale
7 if the service provider elects to collect the tax imposed
8 by this chapter on receipts of each sale.

9 (ii) The service provider shall notify the
10 department of its election and shall collect the tax on
11 receipts of each sale until the service provider notifies
12 the department otherwise.

13 (e.1) Prepaid mobile telecommunications service.--

14 (1) Notwithstanding any other provision of this chapter,
15 the sale or use of prepaid mobile telecommunications service
16 evidenced by the transfer of tangible personal property shall
17 be subject to the tax imposed by subsection (a).

18 (2) The sale or use of prepaid mobile telecommunications
19 service not evidenced by the transfer of tangible personal
20 property shall be subject to the tax imposed by subsection
21 (a) and shall be deemed to occur at the purchaser's billing
22 address or the location associated with the mobile telephone
23 number or the point of sale, whichever is applicable.

24 (3) (i) Notwithstanding paragraph (2), the sale or use
25 of prepaid mobile telecommunications service not
26 evidenced by the transfer of tangible personal property
27 shall be taxed at the rate of 7% of the receipts
28 collected on each sale if the service provider elects to
29 collect the tax imposed by this chapter on receipts of
30 each sale.

1 (ii) The service provider shall notify the
2 department of its election and shall collect the tax on
3 receipts of each sale until the service provider notifies
4 the department otherwise.

5 (f) Prebuilt housing.--

6 (1) Notwithstanding any other provision of this chapter,
7 tax with respect to sales of prebuilt housing shall be
8 imposed on the prebuilt housing builder at the time of the
9 prebuilt housing sale within this Commonwealth and shall be
10 paid and reported by the prebuilt housing builder to the
11 department in the time and manner provided in this chapter.

12 (2) A manufacturer of prebuilt housing may, at its
13 option, precollect the tax from the prebuilt housing builder
14 at the time of sale to the prebuilt housing builder.

15 (3) In any case where prebuilt housing is purchased and
16 the tax is not paid by the prebuilt housing builder or
17 precollected by the manufacturer, the prebuilt housing
18 purchaser shall remit tax directly to the department if the
19 prebuilt housing is used in this Commonwealth without regard
20 to whether the prebuilt housing becomes a real estate
21 structure.

22 (g) Home service providers.--

23 (1) Notwithstanding any other provisions of this chapter
24 and in accordance with the Mobile Telecommunications Sourcing
25 Act (Public Law 106-252, 4 U.S.C. § 116 et seq.), the sale or
26 use of mobile telecommunications services which are deemed to
27 be provided to a customer by a home service provider under 4
28 U.S.C. § 117 (relating to sourcing rules) shall be subject to
29 the tax of 7% of the purchase price, which tax shall be
30 collected by the home service provider from the customer, and

1 shall be paid over to the Commonwealth as provided in this
2 chapter if the customer's place of primary use is located
3 within this Commonwealth, regardless of where the mobile
4 telecommunications services originate, terminate or pass
5 through.

6 (2) For purposes of this subsection, words and phrases
7 used in this subsection shall have the same meanings given to
8 them in the Mobile Telecommunications Sourcing Act.

9 Section 703. Computation of tax.

10 (a) General rule.--The amount of tax imposed by section 702
11 shall be computed as follows:

12 (1) If the purchase price is 7¢ or less, no tax shall be
13 collected.

14 (2) If the purchase price is 8¢ or more but less than
15 22¢, 1¢ shall be collected.

16 (3) If the purchase price is 22¢ or more but less than
17 36¢, 2¢ shall be collected.

18 (4) If the purchase price is 36¢ or more but less than
19 50¢, 3¢ shall be collected.

20 (5) If the purchase price is 50¢ or more but less than
21 65¢, 4¢ shall be collected.

22 (6) If the purchase price is 65¢ or more but less than
23 79¢, 5¢ shall be collected.

24 (7) If the purchase price is 79¢ or more but less than
25 93¢, 6¢ shall be collected.

26 (8) If the purchase price is 93¢ or more but less than
27 \$1.07, seven percent of each dollar of purchase price plus
28 the above tax bracket charges upon any fractional part of a
29 dollar in excess of even dollars shall be collected.

30 (b) Deposit into Education Stabilization Fund.--The tax

1 collected under section 702 shall be deposited into the
2 Education Stabilization Fund.

3 SUBCHAPTER C

4 EXCLUSIONS FROM SALES AND USE TAX

5 Section 704. Exclusions from tax.

6 The tax imposed by section 702 shall not be imposed upon any
7 of the following:

8 (1) The sale at retail or use of tangible personal
9 property (other than motor vehicles, trailers, semi-trailers,
10 motor boats, aircraft or other similar tangible personal
11 property required under either Federal law or laws of this
12 Commonwealth to be registered or licensed) or services sold
13 by or purchased from a person not a vendor in an isolated
14 transaction or sold by or purchased from a person who is a
15 vendor but is not a vendor with respect to the tangible
16 personal property or services sold or purchased in such
17 transaction, provided that inventory and stock in trade so
18 sold or purchased shall not be excluded from the tax by the
19 provisions of this subsection.

20 (2) The use of tangible personal property purchased by a
21 nonresident person outside of, and brought into this
22 Commonwealth for use therein for a period not to exceed seven
23 days, or for any period of time when such nonresident is a
24 tourist or vacationer and, in either case not consumed within
25 this Commonwealth.

26 (3) (i) The use of tangible personal property purchased
27 outside this Commonwealth for use outside this
28 Commonwealth by a then nonresident natural person or a
29 business entity not actually doing business within this
30 Commonwealth, who later brings the tangible personal

1 property into this Commonwealth in connection with the
2 person's or entity's establishment of a permanent
3 business or residence in this Commonwealth, provided that
4 the property was purchased more than six months prior to
5 the date it was first brought into this Commonwealth or
6 prior to the establishment of the business or residence,
7 whichever first occurs.

8 (ii) This paragraph shall not apply to tangible
9 personal property temporarily brought into this
10 Commonwealth for the performance of contracts for the
11 construction, reconstruction, remodeling, repairing and
12 maintenance of real estate.

13 (4) (Reserved).

14 (5) The sale at retail or use of steam, natural and
15 manufactured and bottled gas, fuel oil or electricity when
16 purchased directly by the user solely for the user's own
17 residential use.

18 (6) (Reserved).

19 (7) (Reserved).

20 (8) (Reserved).

21 (9) (Reserved).

22 (10) (i) The sale at retail to or use by any charitable
23 organization, volunteer firefighters' organization or
24 nonprofit educational institution or a religious
25 organization for religious purposes of tangible personal
26 property or services other than pursuant to a
27 construction contract.

28 (ii) This paragraph shall not apply with respect to
29 any tangible personal property or services used in any
30 unrelated trade or business carried on by the

1 organization or institution or with respect to any
2 materials, supplies and equipment used and transferred to
3 the organization or institution in the construction,
4 reconstruction, remodeling, renovation, repairs and
5 maintenance of any real estate structure, other than
6 building machinery and equipment, except materials and
7 supplies when purchased by the organization or
8 institution for routine maintenance and repairs.

9 (11) The sale at retail, or use of gasoline and other
10 motor fuels, the sales of which are otherwise subject to
11 excise taxes under 75 Pa.C.S. Ch. 90 (relating to liquid
12 fuels and fuels tax).

13 (12) (i) The sale at retail to, or use by the United
14 States, this Commonwealth or its instrumentalities or
15 political subdivisions, nonpublic schools, charter
16 schools, cyber charter schools or vocational schools of
17 tangible personal property or services.

18 (ii) This paragraph includes the sale at retail to a
19 supervisor of a home education program of tangible
20 personal property or services used exclusively for the
21 home education program.

22 (iii) As used in this paragraph, the terms
23 "nonpublic school," "charter school," "cyber charter
24 school," "vocational school," "supervisor" and "home
25 education program" shall have the meanings given to them
26 in the Public School Code of 1949.

27 (13) The sale at retail, or use of wrapping paper,
28 wrapping twine, bags, cartons, tape, rope, labels,
29 nonreturnable containers and all other wrapping supplies,
30 when such use is incidental to the delivery of any personal

1 property, except that any charge for wrapping or packaging
2 shall be subject to tax at the rate imposed by section 702.

3 (14) Sale at retail or use of vessels designed for
4 commercial use of registered tonnage of 50 tons or more when
5 produced by the builders thereof upon special order of the
6 purchaser.

7 (15) Sale at retail of tangible personal property or
8 services used or consumed in building, rebuilding, repairing
9 and making additions to or replacements in and upon vessels
10 designed for commercial use of registered tonnage of 50 tons
11 or more upon special order of the purchaser, or when rebuilt,
12 repaired or enlarged, or when replacements are made upon
13 order of or for the account of the owner.

14 (16) The sale at retail or use of tangible personal
15 property or services to be used or consumed for ship cleaning
16 or maintenance or as fuel, supplies, ships' equipment, ships'
17 stores or sea stores on vessels designed for commercial use
18 of registered tonnage of 50 tons or more to be operated
19 principally outside the limits of this Commonwealth.

20 (17) The sale at retail or use of prescription
21 medicines, drugs or medical supplies, crutches and
22 wheelchairs for the use of persons with disabilities and
23 invalids, artificial limbs, artificial eyes and artificial
24 hearing devices when designed to be worn on the person of the
25 purchaser or user, false teeth and materials used by a
26 dentist in dental treatment, eyeglasses when especially
27 designed or prescribed by an ophthalmologist, oculist or
28 optometrist for the personal use of the owner or purchaser
29 and artificial braces and supports designed solely for the
30 use of persons with disabilities or any other therapeutic,

1 prosthetic or artificial device designed for the use of a
2 particular individual to correct or alleviate a physical
3 incapacity, including, but not limited to, hospital beds,
4 iron lungs and kidney machines.

5 (18) The sale at retail or use of coal.

6 (19) (Reserved).

7 (20) (Reserved).

8 (21) (Reserved).

9 (22) (Reserved).

10 (23) (Reserved).

11 (24) The sale at retail or use of motor vehicles,
12 trailers and semitrailers, or bodies attached to the chassis
13 thereof, sold to a nonresident of this Commonwealth to be
14 used outside this Commonwealth and which are registered in a
15 state other than this Commonwealth within 20 days after
16 delivery to the vendee.

17 (25) The sale at retail or use of water.

18 (26) The sale at retail or use of clothing as defined in
19 section 701(ggg) with a purchase price of less than \$50.

20 (27) (Reserved).

21 (28) (Reserved).

22 (29) The sale at retail or use of food and beverages
23 authorized for the Women, Infants and Children Program under
24 section 17 of the Child Nutrition Act of 1966 (Public Law 89-
25 642, 42 U.S.C. § 1786) as administered by the Department of
26 Health.

27 (30) Meals and student fees imposed by educational
28 institutions as described in NAICS industry 611110.

29 (31) (Reserved).

30 (32) (Reserved).

1 (33) (Reserved).

2 (34) (Reserved).

3 (35) (Reserved).

4 (36) The sale at retail or use of rail transportation
5 equipment used in the movement of personalty.

6 (37) (Reserved).

7 (38) (Reserved).

8 (39) The sale at retail or use of fish feed purchased by
9 or on behalf of sportsmen's clubs, fish cooperatives or
10 nurseries approved by the Pennsylvania Fish Commission.

11 (40) The sale at retail of supplies and materials to
12 tourist promotion agencies, which receive grants from the
13 Commonwealth, for distribution to the public as promotional
14 material or the use of such supplies and materials by said
15 agencies for said purposes.

16 (41) (Reserved).

17 (42) The sale or use of brook trout (*salvelinus*
18 *fontinalis*), brown trout (*Salmo trutta*) or rainbow trout
19 (*Salmo gairdneri*).

20 (43) The sale at retail or use of buses to be used
21 exclusively for the transportation of children for school
22 purposes.

23 (44) The sale at retail or use of firewood. For the
24 purpose of this paragraph, firewood shall mean the product of
25 trees when severed from the land and cut into proper lengths
26 for burning and pellets made from pure wood sawdust if used
27 for fuel for cooking, hot water production or to heat
28 residential dwellings.

29 (45) (Reserved).

30 (46) The sale at retail or use of tangible personal

1 property purchased in accordance with the Food Stamp Act of
2 1977, as amended (Public Law 95-113, 7 U.S.C. §§ 2011-2029).

3 (47) (Reserved).

4 (48) (Reserved).

5 (49) (i) The sale at retail or use of food and
6 beverages by nonprofit associations which support sports
7 programs.

8 (ii) The following words and phrases when used in
9 this paragraph shall have the meanings given to them in
10 this subparagraph unless the context clearly indicates
11 otherwise:

12 "Nonprofit association." An entity which is
13 organized as a nonprofit corporation or nonprofit
14 unincorporated association under the laws of this
15 Commonwealth or the United States or any entity which is
16 authorized to do business in this Commonwealth as a
17 nonprofit corporation or unincorporated association under
18 the laws of this Commonwealth, including, but not limited
19 to, youth or athletic associations, volunteer fire,
20 ambulance, religious, charitable, fraternal, veterans,
21 civic, or any separately chartered auxiliary of the
22 foregoing, if organized and operated on a nonprofit
23 basis.

24 "Sports program." Baseball, softball, football,
25 basketball, soccer and any other competitive sport
26 formally recognized as a sport by the United States
27 Olympic Committee as specified by and under the
28 jurisdiction of the Amateur Sports Act of 1978 (Public
29 Law 95-606, 36 U.S.C. Ch. 2205), the Amateur Athletic
30 Union or the National Collegiate Athletic Association.

1 The term shall be limited to a program or that portion of
2 a program that is organized for recreational purposes and
3 whose activities are substantially for such purposes and
4 which is primarily for participants who are 18 years of
5 age or younger or whose 19th birthday occurs during the
6 year of participation or the competitive season,
7 whichever is longer. There shall, however, be no age
8 limitation for programs operated for persons with
9 physical handicaps or persons with mental retardation.

10 "Support." The funds raised from sales are used to
11 pay the expenses of a sports program or the nonprofit
12 association sells the food and beverages at a location
13 where a sports program is being conducted under this
14 chapter or the Tax Reform Code of 1971.

15 (50) (Reserved).

16 (51) The sale at retail or use of interior office
17 building cleaning services but only as relates to the costs
18 of the supplied employee, which costs are wages, salaries,
19 bonuses and commissions, employment benefits, expense
20 reimbursements and payroll and withholding taxes, to the
21 extent that these costs are specifically itemized or that
22 these costs in aggregate are stated in billings from the
23 vendor or supplying entity.

24 (52) (Reserved).

25 (53) (Reserved).

26 (54) (Reserved).

27 (55) (Reserved).

28 (56) The sale at retail or use of tangible personal
29 property or services used, transferred or consumed in
30 installing or repairing equipment or devices designed to

1 assist persons in ascending or descending a stairway when:

2 (i) The equipment or devices are used by a person
3 who, by virtue of a physical disability, is unable to
4 ascend or descend stairs without the aid of such
5 equipment or device.

6 (ii) The equipment or device is installed or used in
7 the person's place of residence.

8 (iii) A physician has certified the physical
9 disability of the person in whose residence the equipment
10 or device is installed or used.

11 (57) The sale at retail to or use by a construction
12 contractor of building machinery and equipment and services
13 thereto that are:

14 (i) transferred pursuant to a construction contract
15 for any charitable organization, volunteer firemen's
16 organization, nonprofit educational institution or
17 religious organization for religious purposes, provided
18 that the building machinery and equipment and services
19 thereto are not used in any unrelated trade or business;
20 or

21 (ii) transferred to the United States or the
22 Commonwealth or its instrumentalities or political
23 subdivisions.

24 (58) (Reserved).

25 (59) The sale at retail or use of molds and related mold
26 equipment used directly and predominantly in the manufacture
27 of products, regardless of whether the person that holds
28 title to the equipment manufactures a product.

29 (60) (Reserved).

30 (61) (Reserved).

1 (62) The sale at retail or use of tangible personal
2 property or services which are directly used in farming,
3 dairying or agriculture when engaged in as a business
4 enterprise, regardless of whether the sale is made to the
5 person directly engaged in the business enterprise or to a
6 person contracting with the person directly engaged in the
7 business enterprise for the production of food.

8 (63) (Reserved).

9 (64) The sale at retail to or use by a construction
10 contractor, employed by a public school district pursuant to
11 a construction contract, of any materials and building
12 supplies which, during construction or reconstruction, are
13 made part of any public school building utilized for
14 instructional classroom education within this Commonwealth,
15 if the construction or reconstruction:

16 (i) is necessitated by a disaster emergency, as
17 defined in 35 Pa.C.S. § 7102 (relating to definitions);
18 and

19 (ii) takes place during the period when there is a
20 declaration of disaster emergency under 35 Pa.C.S. §
21 7301(c) (relating to general authority of Governor).

22 (65) (Reserved).

23 (66) The sale at retail or use of copies of an official
24 document sold by a government agency or a court. For the
25 purposes of this paragraph, the following terms or phrases
26 shall have the following meanings:

27 (i) "court" includes:

28 (A) an appellate court as defined in 42 Pa.C.S.
29 § 102 (relating to definitions);

30 (B) a court of common pleas as defined in 42

1 Pa.C.S. § 102; or

2 (C) the minor judiciary as defined in 42 Pa.C.S.
3 § 102;

4 (ii) "government agency" means an agency as defined
5 in section 102 of the act of February 14, 2008 (P.L.6,
6 No.3), known as the Right-to-Know Law; and

7 (iii) "official document" means a record as defined
8 in section 102 of the Right-to-Know Law. The term shall
9 include notes of court testimony, deposition transcripts,
10 driving records, accident reports, birth and death
11 certificates, deeds, divorce decrees and other similar
12 documents.

13 (67) The sale at retail or use of repair or replacement
14 parts, including the installation of those parts, exclusively
15 for use in helicopters and similar rotorcraft or in
16 overhauling or rebuilding of helicopters and similar
17 rotorcraft or helicopters and similar rotorcraft components.

18 (68) The sale at retail or use of helicopters and
19 similar rotorcraft.

20 (69) The sale at retail or use of aircraft parts,
21 services to aircraft and aircraft components. For purposes of
22 this paragraph, the term "aircraft" shall include a fixed-
23 wing aircraft, powered aircraft, tilt-rotor or tilt-wing
24 aircraft, glider or unmanned aircraft.

25 (70) (Reserved).

26 (71) The sale at retail or use of tuition.

27 (72) But for the services as defined in section 701(w),
28 (x), (y), (z), (aa), (bb), (cc), (jj) and (kk), the sale at
29 retail or use of any of the following business, professional
30 or technical services performed by a business and rendered to

1 another business:

2 (i) Legal services as defined by NAICS industry
3 5411.

4 (ii) Architectural, engineering and related services
5 as defined by NAICS industry 5413.

6 (iii) Accounting, auditing and bookkeeping services
7 as defined by NAICS industry 5412.

8 (iv) Specialized design services as defined by NAICS
9 industry 5414.

10 (v) Advertising, public relations and related
11 services as defined by NAICS industry 5418.

12 (vi) Services to buildings and dwellings as defined
13 by NAICS industry 5617.

14 (vii) Scientific, environmental and technical
15 consulting services as defined by NAICS industry 5416.

16 (viii) Scientific research and development services
17 as defined by NAICS industries 5417 and 5419.

18 (ix) Information services as defined by NAICS
19 subsector 519.

20 (x) Administrative services as defined by NAICS
21 industries 5611, 5612, 5613, 5614, 5615 and 5619.

22 (xi) Custom programming, design and data processing
23 services as defined by NAICS industry 5415.

24 (xii) Parking lot and garage services as defined by
25 NAICS industry 8129.

26 (73) The sale at retail or use of legal services
27 relating to family law or criminal law.

28 (74) The sale at retail, or the use of motion picture
29 film rented or licensed from a distributor for the purpose of
30 commercial exhibition.

1 (75) The sale at retail or use of services performed by
2 minors under 18 years of age and not on behalf of another
3 person.

4 (76) The sale at retail or use of services provided by
5 employees to their employers in exchange for wages and
6 salaries when such services are rendered in the ordinary
7 course of employment.

8 (77) The sale at retail or use of goods or services that
9 are part of a Medicare Part B transaction.

10 Section 705. Alternate imposition of tax.

11 (a) General rule.--If any person actively and principally
12 engaged in the business of selling new or used motor vehicles,
13 trailers or semitrailers, and registered with the department in
14 the "dealer's class," acquires a motor vehicle, trailer or
15 semitrailer for the purpose of resale, and prior to such resale,
16 uses the motor vehicle, trailer or semitrailer for a taxable use
17 under this chapter or the Tax Reform Code of 1971, the person
18 may pay a tax equal to 7% of the fair rental value of the motor
19 vehicle, trailer or semitrailer during use.

20 (b) Aircraft.--A commercial aircraft operator who acquires
21 an aircraft for the purpose of resale, or lease, or is entitled
22 to claim another valid exemption at the time of purchase, and
23 subsequent to the purchase, periodically uses the same aircraft
24 for a taxable use under this chapter or the Tax Reform Code of
25 1971, may elect to pay a tax equal to 7% of the fair rental
26 value of the aircraft during such use.

27 (c) Applicability.--This section shall not apply to the use
28 of a vehicle as a wrecker, parts truck, delivery truck or
29 courtesy car.

30 Section 706. Credit against tax.

1 (a) Tax paid to another state.--

2 (1) A credit against the tax imposed by section 702
3 shall be granted with respect to tangible personal property
4 or services purchased for use outside the Commonwealth equal
5 to the tax paid to another state by reason of the imposition
6 by such other state of a tax similar to the tax imposed by
7 this chapter.

8 (2) No credit under paragraph (1) shall be granted
9 unless the other state grants substantially similar tax
10 relief by reason of the payment of tax under this chapter or
11 under the Tax Reform Code of 1971.

12 (b) (Reserved).

13 SUBCHAPTER D

14 LICENSES

15 Section 708. Licenses.

16 (a) Duty to obtain license.--Every person maintaining a
17 place of business in this Commonwealth, selling or leasing
18 services or tangible personal property, the sale or use of which
19 is subject to tax and who has not obtained a license from the
20 department, shall, prior to the beginning of business, make
21 application to the department, on a form prescribed by the
22 department, for a license. If such person maintains more than
23 one place of business in this Commonwealth, the license shall be
24 issued for the principal place of business in this Commonwealth.

25 (b) Criteria for issuance of license.--

26 (1) The department shall, after the receipt of an
27 application, issue the license applied for under subsection

28 (a) if the applicant filed all required State tax reports and
29 paid any State taxes not subject to a timely perfected
30 administrative or judicial appeal or subject to a duly

1 authorized deferred payment plan. The license shall be
2 nonassignable.

3 (2) All licenses in effect on the effective date of this
4 section under former Article III of the Tax Reform Code of
5 1971 and all licenses issued or renewed on or after the
6 effective date of this section shall be valid for a period of
7 five years.

8 (b.1) Refusal of license.--

9 (1) If an applicant for a license or any person holding
10 a license has not filed all required State tax reports and
11 paid any State taxes not subject to a timely perfected
12 administrative or judicial appeal or subject to a duly
13 authorized deferred payment plan, the department may refuse
14 to issue, may suspend or may revoke said license.

15 (2) The department shall notify the applicant or
16 licensee of any refusal, suspension or revocation. The notice
17 shall contain a statement that the refusal, suspension or
18 revocation may be made public. The notice shall be made by
19 first class mail.

20 (3) An applicant or licensee aggrieved by the
21 determination of the department may file an appeal pursuant
22 to the provisions for administrative appeals in this chapter,
23 except that the appeal must be filed within 30 days of the
24 date of the notice. In the case of a suspension or revocation
25 which is appealed, the license shall remain valid pending a
26 final outcome of the appeals process.

27 (4) Notwithstanding section 774 or sections 353(f),
28 408(b), 603, 702, 802, 904 and 1102 of the Tax Reform Code of
29 1971, or any other provision of law to the contrary, if no
30 appeal is taken or if an appeal is taken and denied at the

1 conclusion of the appeal process, the department may
2 disclose, by publication or otherwise, the identity of a
3 person and the fact that the person's license has been
4 refused, suspended or revoked under this subsection.

5 Disclosure may include the basis for refusal, suspension or
6 revocation.

7 (c) Penalties.--

8 (1) A person that maintains a place of business in this
9 Commonwealth for the purpose of selling or leasing services
10 or tangible personal property, the sale or use of which is
11 subject to tax, without having a valid license at the time of
12 the sale or lease shall be guilty of a summary offense and,
13 upon conviction thereof, be sentenced to pay a fine of not
14 less than \$300 nor more than \$1,500 and, in default thereof,
15 a term of imprisonment of not less than five days nor more
16 than 30 days.

17 (2) The penalties imposed by this subsection shall be in
18 addition to any other penalties imposed by this chapter.

19 (3) For purposes of this subsection, the offering for
20 sale or lease of any service or tangible personal property,
21 the sale or use of which is subject to tax, during any
22 calendar day shall constitute a separate violation.

23 (4) The secretary may designate employees of the
24 department to enforce the provisions of this subsection. The
25 employees shall exhibit proof of and be within the scope of
26 the designation when instituting proceedings as provided by
27 the Pennsylvania Rules of Criminal Procedure.

28 (d) Effect of failure to obtain license.--Failure of any
29 person to obtain a license shall not relieve that person of
30 liability to pay the tax imposed by this chapter.

1 SUBCHAPTER E

2 HOTEL OCCUPANCY TAX

3 Section 709. Definitions.

4 (a) General rule.--The following words and phrases when used
5 in this subchapter shall have the meanings given to them in this
6 section unless the context clearly indicates otherwise:

7 "Hotel." A building or buildings in which the public may,
8 for a consideration, obtain sleeping accommodations. The term
9 does not include any charitable, educational or religious
10 institution summer camp for children, hospital or nursing home.

11 "Occupancy." The use or possession or the right to the use
12 or possession by any person, other than a permanent resident, of
13 any room or rooms in a hotel for any purpose or the right to the
14 use or possession of the furnishings or to the services and
15 accommodations accompanying the use and possession of the room
16 or rooms.

17 "Occupant." A person, other than a permanent resident, who,
18 for a consideration, uses, possesses or has a right to use or
19 possess any room or rooms in a hotel under any lease,
20 concession, permit, right of access, license or agreement.

21 "Operator." Any person who operates a hotel.

22 "Permanent resident." Any occupant who has occupied or has
23 the right to occupancy of any room or rooms in a hotel for at
24 least 30 consecutive days.

25 "Rent." The consideration received for occupancy valued in
26 money, whether received in money or otherwise, including all
27 receipts, cash, credits and property or services of any kind or
28 nature, and also any amount for which the occupant is liable for
29 the occupancy without any deduction. The term "rent" shall not
30 include a gratuity.

1 (b) Other definitions.--The following words and phrases,
2 when used in Subchapters D and F, shall, in addition to the
3 meaning ascribed to them by section 701, have the meaning
4 ascribed to them in this subsection, except where the context
5 clearly indicates a different meaning:

6 "Maintaining a place of business in this Commonwealth."

7 Being the operator of a hotel in this Commonwealth.

8 "Purchase at retail." Occupancy.

9 "Purchase price." Rent.

10 "Purchaser." Occupant.

11 "Sale at retail." The providing of occupancy to an occupant
12 by an operator.

13 "Services." Occupancy.

14 "Tangible personal property." Occupancy.

15 "Use." Occupancy.

16 "Vendor." Operator.

17 Section 710. Imposition of tax.

18 There is hereby imposed an excise tax of 7% of the rent on
19 every occupancy of a room or rooms in a hotel in this
20 Commonwealth, which tax shall be collected by the operator from
21 the occupant and paid over to the Commonwealth as provided in
22 this act.

23 Section 711. Seasonal tax returns.

24 Notwithstanding any other provisions in this chapter or the
25 Tax Reform Code of 1971, the department may, by regulation,
26 waive the requirement for the filing of quarterly returns in the
27 case of any operator whose hotel is operated only during certain
28 seasons of the year, and may provide for the filing of returns
29 by such persons at times other than those provided by section
30 721.

1 SUBCHAPTER F

2 PROCEDURE AND ADMINISTRATION

3 Section 715. Persons required to make returns.

4 Every person required to pay tax to the department or collect
5 and remit tax to the department shall file returns with respect
6 to the tax.

7 Section 716. Form of returns.

8 The returns required by section 715 shall be on forms
9 prescribed by the department and shall show such information
10 with respect to the taxes imposed by this chapter as the
11 department may reasonably require.

12 Section 717. Time for filing returns.

13 (a) Quarterly and monthly returns.--

14 (1) For the year in which this chapter becomes
15 effective, and in each year thereafter, a return shall be
16 filed quarterly by every licensee on or before the 20th day
17 of April, July, October and January for the three months
18 ending the last day of March, June, September and December.

19 (2) For the year in which this chapter becomes
20 effective, and in each year thereafter, a return shall be
21 filed monthly with respect to each month by every licensee
22 whose actual tax liability for the third calendar quarter of
23 the preceding year equals or exceeds \$600 and is less than
24 \$25,000. Such returns shall be filed on or before the 20th
25 day of the next succeeding month with respect to which the
26 return is made. Any licensee required to file monthly returns
27 under this act shall be relieved from filing quarterly
28 returns.

29 (3) With respect to every licensee whose actual tax
30 liability for the third calendar quarter of the preceding

1 year equals or exceeds \$25,000 and is less than \$100,000, the
2 licensee shall, on or before the 20th day of each month, file
3 a single return consisting of all of the following:

4 (i) Either of the following:

5 (A) An amount equal to 50% of the licensee's
6 actual tax liability for the same month in the
7 preceding calendar year if the licensee was a monthly
8 filer or, if the licensee was a quarterly or
9 semiannual filer, 50% of the licensee's average
10 actual tax liability for that tax period in the
11 preceding calendar year. The average actual tax
12 liability shall be the actual tax liability for the
13 tax period divided by the number of months in that
14 tax period. For licensees that were not in business
15 during the same month in the preceding calendar year
16 or were in business for only a portion of that month,
17 the amount shall be 50% of the average actual tax
18 liability for each tax period the licensee has been
19 in business. If the licensee is filing a tax
20 liability for the first time with no preceding tax
21 periods, the amount shall be zero.

22 (B) An amount equal to or greater than 50% of
23 the licensee's actual tax liability for the same
24 month.

25 (ii) An amount equal to the taxes due for the
26 preceding month, less any amounts paid in the preceding
27 month as required by subparagraph (i).

28 (4) With respect to each month by every licensee whose
29 actual tax liability for the third calendar quarter of the
30 preceding year equals or exceeds \$100,000, the licensee

1 shall, on or before the 20th day of each month, file a single
2 return consisting of the amounts under paragraph (3)(i)(A)
3 and (ii).

4 (5) The amount due under paragraph (3)(i) or (4) shall
5 be due the same day as the remainder of the preceding month's
6 tax.

7 (6) The department shall determine whether the amounts
8 reported under paragraph (3) or (4) shall be remitted as one
9 combined payment or as two separate payments.

10 (7) The department may require the filing of the returns
11 and the payments for these types of filers by electronic
12 means approved by the department.

13 (8) Any licensee filing returns under paragraph (3) or
14 (4) shall be relieved of filing quarterly returns.

15 (9) If a licensee required to remit payments under
16 paragraph (3) or (4) fails to make a timely payment or makes
17 a payment which is less than the required amount, the
18 department may, in addition to any applicable penalties,
19 impose an additional penalty equal to 5% of the amount due
20 under paragraph (3) or (4) which was not timely paid. The
21 penalty under this paragraph shall be determined when the tax
22 return is filed for the tax period.

23 (b) Annual returns.--No annual return shall be filed, except
24 as may be required by rules and regulations of the department
25 promulgated and published at least 60 days prior to the end of
26 the year with respect to which the returns are made. Where such
27 annual returns are required, licensees shall not be required to
28 file such returns prior to the 20th day of the year succeeding
29 the year with respect to which the returns are made.

30 (c) Other returns.--Any person, other than a licensee,

1 liable to pay to the department any tax under this chapter,
2 shall file a return on or before the 20th day of the month
3 succeeding the month in which the person becomes liable for the
4 tax.

5 (d) Small taxpayers.--The department, by regulation, may
6 waive the requirement for the filing of quarterly return in the
7 case of any licensee whose individual tax collections do not
8 exceed \$75 per calendar quarter and may provide for reporting on
9 a less frequent basis in such cases.

10 Section 718. Extension of time for filing returns.

11 The department may, on written application and for good cause
12 shown, grant a reasonable extension of time for filing any
13 return required under this subchapter. However, the time for
14 making a return shall not be extended for more than three
15 months.

16 Section 719. Place for filing returns.

17 Returns shall be filed with the department at its main office
18 or at any branch office which it may designate for filing
19 returns.

20 Section 720. Timely mailing treated as timely filing and
21 payment.

22 (a) General rule.--Notwithstanding the provisions of any
23 State tax law to the contrary, whenever a report or payment of
24 all or any portion of a State tax is required by law to be
25 received by the department or other agency of the Commonwealth
26 on or before a day certain, the taxpayer shall be deemed to have
27 complied with the law if the letter transmitting the report or
28 payment of the tax which has been received by the department is
29 postmarked by the United States Postal Service on or prior to
30 the final day on which the payment is to be received.

1 (b) Presentation of receipt.--For the purposes of this
2 chapter, presentation of a receipt indicating that the report or
3 payment was mailed by registered or certified mail on or before
4 the due date shall be evidence of timely filing and payment.

5 Section 721. Payment of tax.

6 When a return of tax is required under this subchapter, the
7 person required to make the return shall pay the tax to the
8 department.

9 Section 722. Time of payment.

10 (a) General rule.--The tax imposed by this chapter and
11 incurred or collected by a licensee shall be due and payable by
12 the licensee on the day the return is required to be filed under
13 the provisions of section 717 and the payment must accompany the
14 return for the preceding period.

15 (b) Annual payments.--If the amount of tax due for the
16 preceding year as shown by the annual return of a taxpayer is
17 greater than the amount already paid by the taxpayer in
18 connection with the taxpayer's monthly or quarterly returns, the
19 taxpayer shall send with the annual return a remittance for the
20 unpaid amount of tax for the year.

21 (c) Other payments.--Any person other than a licensee liable
22 to pay any tax under this chapter shall remit the tax at the
23 time of filing the return required by this chapter.

24 Section 723. Other times for payment.

25 In the event that the department authorizes a taxpayer to
26 file a return at other times than those specified in section
27 717, the tax due shall be paid at the time the return is filed.

28 Section 724. Place for payment.

29 The tax imposed by this chapter shall be paid to the
30 department at the place fixed for filing the return.

1 Section 725. Tax held in trust for Commonwealth.

2 (a) General rule.--All taxes collected by any person from
3 purchasers in accordance with this chapter and all taxes
4 collected by any person from purchasers under color of this
5 chapter which have not been properly refunded by the person to
6 the purchaser shall constitute a trust fund for the
7 Commonwealth, and such trust shall be enforceable against such
8 person, the person's representatives and any person, other than
9 a purchaser to whom a refund has been made properly, receiving
10 any part of the fund without consideration, or knowing that the
11 taxpayer is committing a breach of trust.

12 (b) Presumption.--Any person receiving payment of a lawful
13 obligation of the taxpayer from the fund identified under
14 subsection (a) shall be presumed to have received the same in
15 good faith and without any knowledge of the breach of trust.

16 (c) Right to petition and appeal.--Any person, other than a
17 taxpayer, against whom the department makes any claim under this
18 section shall have the same right to petition and appeal as is
19 given taxpayers by any provisions of this subchapter.

20 Section 726. (Reserved).

21 Section 727. Discount.

22 (a) General rule.--Subject to the provisions of subsection
23 (b), if a return is filed by a licensee and the tax shown to be
24 due thereon less any discount is paid all within the time
25 prescribed, the licensee shall be entitled to credit and apply
26 against the tax payable by the licensee a discount of 1% of the
27 amount of the tax collected by the licensee, as compensation for
28 the expense of collecting and remitting the tax due by the
29 licensee and as consideration of the prompt payment.

30 (b) Types of periodic filers.--For returns filed on or after

1 the effective date of this section, the discount under
2 subsection (a) shall be limited to the following:

- 3 (1) For a monthly filer, \$25 per return.
- 4 (2) For a quarterly filer, \$75 per return.
- 5 (3) For a semiannual filer, \$150 per return.

6 Section 728. (Reserved).

7 Section 729. (Reserved).

8 Section 730. Assessment.

9 The department shall make the inquiries, determinations and
10 assessments of the tax, including interest, additions and
11 penalties, imposed by this chapter. A notice of assessment and
12 demand for payment shall be mailed to the taxpayer. The notice
13 shall set forth the basis of the assessment.

14 Section 731. Mode and time of assessment.

15 (a) Duty to examine.--

16 (1) Within a reasonable time after any return is filed,
17 the department shall examine it and, if the return shows a
18 greater tax due or collected than the amount of tax remitted
19 with the return, the department shall issue an assessment for
20 the difference, together with an addition of 3% of the
21 difference, which shall be paid to the department within 10
22 days after a notice of the assessment has been mailed to the
23 taxpayer.

24 (2) If such assessment is not paid within 10 days, there
25 shall be added and paid to the department an additional 3% of
26 the difference for each month during which the assessment
27 remains unpaid. The total of all additions shall not exceed
28 18% of the difference shown on the assessment.

29 (b) Understated tax on returns.--

30 (1) If the department determines that any return or

1 returns of any taxpayer understates the amount of tax due, it
2 shall determine the proper amount and shall ascertain the
3 difference between the amount of tax shown in the return and
4 the amount determined. The difference may be referred to as
5 the deficiency.

6 (2) The department shall send a notice of assessment for
7 the deficiency and the reasons to the taxpayer.

8 (3) The taxpayer shall pay the deficiency to the
9 department within 30 days after a notice of the assessment
10 has been mailed to the taxpayer.

11 (c) Estimated assessments.--

12 (1) In the event that any taxpayer fails to file a
13 return required by this chapter, the department may make an
14 estimated assessment, based on information available, of the
15 proper amount of tax owed by the taxpayer and shall send a
16 notice of assessment in the estimated amount to the taxpayer.

17 (2) The taxpayer shall pay the tax within 30 days after
18 a notice of the estimated assessment has been mailed to the
19 taxpayer.

20 (d) Studies.--

21 (1) The department may conduct the studies necessary to
22 compute effective rates by business classification, based
23 upon the ratio between the tax required to be collected and
24 taxable sales and to use such rates in arriving at the
25 apparent tax liability of a taxpayer.

26 (2) Any assessment based on such rates shall be prima
27 facie correct, except that the rate shall not be considered
28 where a taxpayer establishes the rate is based on a sample
29 inapplicable to the taxpayer.

30 Section 732. Reassessment.

1 Any taxpayer against whom an assessment is made may petition
2 the department for a reassessment under Article XXVII of the Tax
3 Reform Code of 1971.

4 Section 733. Assessment to recover erroneous refunds.

5 The department may, within two years of the granting of any
6 refund or credit, or within the period in which an assessment
7 could have been filed by the department with respect to the
8 transaction pertaining to which the refund was granted,
9 whichever period shall last occur, file an assessment to recover
10 any refund or part thereof or credit or part thereof which was
11 erroneously made or allowed.

12 Section 734. (Reserved).

13 Section 735. (Reserved).

14 Section 736. Burden of proof.

15 In all cases of petitions for reassessment, review or appeal,
16 the burden of proof shall be on the petitioner or appellant, as
17 applicable.

18 Section 737. Collection of tax.

19 (a) General rule.--The department shall collect the tax in
20 the manner provided by law for the collection of taxes imposed
21 by the laws of this Commonwealth.

22 (b) Collection by persons maintaining a place of business in
23 this Commonwealth.--

24 (1) Every person maintaining a place of business in this
25 Commonwealth and selling or leasing tangible personal
26 property or services, the sale or use of which is subject to
27 tax shall collect the tax from the purchaser or lessee at the
28 time of making the sale or lease, and shall remit the tax to
29 the department, unless the collection and remittance is
30 otherwise provided for in this chapter.

1 (2) (i) Every person not otherwise required to collect
2 tax that delivers tangible personal property to a
3 location within this Commonwealth and that unpacks,
4 positions, places or assembles the tangible personal
5 property shall collect the tax from the purchaser at the
6 time of delivery and shall remit the tax to the
7 department if the person delivering the tangible personal
8 property is responsible for collecting any portion of the
9 purchase price of the tangible personal property
10 delivered and the purchaser has not provided the person
11 with proof that the tax imposed by this chapter has been
12 or will be collected by the seller or that the purchaser
13 provided the seller with a valid exemption certificate.

14 (ii) Every person required to collect tax under this
15 paragraph shall be deemed to be selling or leasing
16 tangible personal property or services, the sale or use
17 of which is subject to the tax imposed under section 702.

18 (3) Any person required under this chapter to collect
19 tax from another person, who shall fail to collect the proper
20 amount of the tax, shall be liable for the full amount of the
21 tax which the person should have collected.

22 (c) Certificate for tax-exempt sales or leases.--

23 (1) If the tax does not apply to the sale or lease of
24 tangible personal property or services, the purchaser or
25 lessee shall furnish to the vendor a certificate indicating
26 that the sale is not legally subject to the tax. The
27 certificate shall be in substantially such form as the
28 department may, by regulation, prescribe.

29 (2) Where the tangible personal property or service is
30 of a type which is never subject to the tax imposed or where

1 the sale or lease of tangible personal property is in
2 interstate commerce, the certificate need not be furnished.

3 (3) Where a series of transactions are not subject to
4 tax, a purchaser or user may furnish the vendor with a single
5 exemption certificate in substantially such form and valid
6 for such period of time as the department may, by regulation,
7 prescribe.

8 (4) The department shall provide all school districts
9 and intermediate units with a permanent tax exemption number.

10 (5) An exemption certificate, which is complete and
11 regular and on its face discloses a valid basis of exemption
12 if taken in good faith, shall relieve the vendor from the
13 liability imposed by this section.

14 (6) An exemption certificate:

15 (i) accepted by a vendor from a natural person
16 domiciled within this Commonwealth or any association,
17 fiduciary, partnership, corporation or other entity,
18 either authorized to do business within this Commonwealth
19 or having an established place of business within this
20 Commonwealth, in the ordinary course of the vendor's
21 business;

22 (ii) which on its face discloses a valid basis of
23 exemption consistent with the activity of the purchaser
24 and character of the property or service being purchased
25 or which is provided to the vendor by a charitable,
26 religious, educational or volunteer firefighters'
27 organization;

28 (iii) contains the organization's charitable
29 exemption number; and

30 (iv) which, in the case of any purchase costing \$200

1 or more, is accompanied by a sworn declaration on a form
2 to be provided by the department of an intended usage of
3 the property or service which would render it nontaxable,
4 shall be presumed to be taken in good faith and the burden of
5 proving otherwise shall be on the department.

6 (d) Direct payment permits.--

7 (1) The department may authorize a purchaser or lessee
8 who acquires tangible personal property or services under
9 circumstances which make it impossible at the time of
10 acquisition to determine the manner in which the tangible
11 personal property or service will be used, to pay the tax
12 directly to the department, and waive the collection of the
13 tax by the vendor.

14 (2) No such authority shall be granted or exercised,
15 except on application to the department, and the issuance by
16 the department, in its discretion, of a direct payment
17 permit.

18 (3) If a direct payment permit is granted, its use shall
19 be subject to conditions specified by the department, and the
20 payment of tax on all acquisitions pursuant to the permit
21 shall be made directly to the department by the permit
22 holder.

23 Section 738. Collection of tax on motor vehicles, trailers and
24 semitrailers.

25 (a) General rule.--Notwithstanding the provisions of section
26 737(b)(1), tax due on the sale at retail or use of a motor
27 vehicle, trailer or semitrailer, except mobile homes as defined
28 in 75 Pa.C.S. (relating to vehicles), required by law to be
29 registered with the department under the provisions of 75
30 Pa.C.S. shall be paid by the purchaser or user directly to the

1 department on application to the department for an issuance of a
2 certificate of title on the motor vehicle, trailer or
3 semitrailer.

4 (b) No issuance of certificate of title without payment of
5 tax.--

6 (1) The department shall not issue a certificate of
7 title until the tax has been paid, or evidence satisfactory
8 to the department has been given to establish that tax is not
9 due.

10 (2) The department may cancel or suspend any record of
11 certificate of title or registration of a motor vehicle,
12 trailer or semitrailer when the check received in payment of
13 the tax on the vehicle is not paid on demand.

14 (c) First encumbrance.--The tax shall be considered as a
15 first encumbrance against the vehicle and the vehicle may not be
16 transferred without first payment in full of the tax and any
17 interest additions or penalties which shall accrue in accordance
18 with this chapter.

19 Section 739. Precollection of tax.

20 (a) Authorization.--

21 (1) Except as otherwise provided under paragraph (2),
22 the department may, by regulation, authorize or require
23 particular categories of vendors selling tangible personal
24 property for resale to precollect from the purchaser the tax
25 which the purchaser will collect on making a sale at retail
26 of the tangible personal property.

27 (2) The department, pursuant to this section, may not
28 require a vendor to precollect tax from a purchaser who
29 purchases for resale more than \$1,000 worth of tangible
30 personal property from the vendor per year.

1 (b) No license required.--In any case in which a vendor has
2 been authorized to prepay the tax to the person from whom the
3 vendor purchased the tangible personal property for resale, the
4 vendor authorized to prepay the tax may, under the regulations
5 of the department, be relieved from the duty to secure a license
6 if the duty arises only by reason of the vendor's sale of the
7 tangible personal property with respect to which the vendor is,
8 under authorization of the department, to prepay the tax.

9 (c) Reimbursement.--

10 (1) The vendor, on making a sale at retail of tangible
11 personal property with respect to which the vendor has
12 prepaid the tax, must separately state at the time of resale
13 the proper amount of tax on the transaction, and reimburse
14 itself on account of the taxes which the vendor has
15 previously prepaid.

16 (2) If the vendor collects a greater amount of tax in
17 any reporting period than the vendor previously prepaid on
18 purchase of the goods with respect to which the vendor
19 prepaid the tax, the vendor must file a return and remit the
20 balance to the Commonwealth at the time at which a return
21 would otherwise be due with respect to the sales.

22 Section 740. Bulk and auction sales.

23 A person who sells or causes to be sold at auction, or who
24 sells or transfers in bulk, 51% or more of any stock, of goods,
25 wares or merchandise of any kind, fixtures, machinery,
26 equipment, buildings or real estate, involved in a business for
27 which the person is licensed or required to be licensed under
28 this chapter, or is liable for filing use tax returns in
29 accordance with this chapter, shall be subject to the provisions
30 of section 1403 of the Fiscal Code.

1 Section 741. (Reserved).

2 Section 742. Lien for taxes.

3 (a) Nature and effect of lien.--

4 (1) If any person liable to pay any tax neglects or
5 refuses to pay the same after demand, the amount, including
6 any interest, addition or penalty, together with any costs
7 that may accrue in addition, shall be a lien in favor of the
8 Commonwealth on the property, both real and personal, of the
9 person but only after same has been entered and docketed of
10 record by the prothonotary of the county where the property
11 is situated.

12 (2) The department may, at any time, transmit to the
13 prothonotaries of the respective counties certified copies of
14 all liens for taxes imposed by this chapter or the Tax Reform
15 Code of 1971 and penalties and interest.

16 (3) Each prothonotary receiving the lien shall enter and
17 docket the lien of record in the prothonotary's office, which
18 lien shall be indexed as judgments are now indexed.

19 (4) No prothonotary shall require, as a condition
20 precedent to the entry of the liens, the payment of the costs
21 incident thereto.

22 (b) Priority status.--

23 (1) The lien imposed under this section shall have
24 priority from the date of its recording, and shall be fully
25 paid and satisfied out of the proceeds of any judicial sale
26 of property before any other obligation, judgment, claim,
27 lien or estate to which the property may subsequently become
28 subject, except costs of the sale and of the writ on which
29 the sale was made, and real estate taxes and municipal claims
30 against such property, but shall be subordinate to mortgages

1 and other liens existing and duly recorded or entered of
2 record prior to the recording of the tax lien.

3 (2) In the case of a judicial sale of property, subject
4 to a lien imposed under this section, on a lien or claim over
5 which the lien imposed under this section has priority, the
6 sale shall discharge the lien imposed under this section to
7 the extent only that the proceeds are applied to its payment,
8 and the lien shall continue in full force and effect as to
9 the balance remaining unpaid.

10 (3) There shall be no inquisition or condemnation upon
11 any judicial sale of real estate made by the Commonwealth
12 pursuant to the provisions of this section.

13 (4) (i) The lien of the taxes, interest and penalties,
14 shall continue for five years from the date of entry, and
15 may be revived and continued in the manner now or
16 hereafter provided for renewal of judgments, or as may be
17 provided in the Fiscal Code, and a writ of execution may
18 directly issue upon the lien without the issuance and
19 prosecution to judgment of a writ of scire facias.

20 (ii) Not less than 10 days before issuance of any
21 execution on the lien, notice of the filing and the
22 effect of the lien shall be sent by registered mail to
23 the taxpayer at the taxpayer's last known post office
24 address.

25 (iii) The lien shall have no effect on any stock of
26 goods, wares or merchandise regularly sold or leased in
27 the ordinary course of business by the person against
28 whom the lien has been entered, unless and until a writ
29 of execution has been issued and a levy made on the stock
30 of goods, wares and merchandise.

1 (c) Penalty.--Any willful failure of any prothonotary to
2 carry out any duty imposed on the prothonotary under this
3 section shall be a misdemeanor, and, upon conviction, the
4 prothonotary shall be sentenced to pay a fine not more than
5 \$1,000 and costs of prosecution or to a term of imprisonment not
6 exceeding one year, or both.

7 (d) Priority payment from distribution.--

8 (1) Except as otherwise provided under the law, in the
9 distribution, voluntary or compulsory, in receivership,
10 bankruptcy or otherwise, of the property or estate of any
11 person, all taxes imposed by this chapter which are due and
12 unpaid and are not collectible under section 725 shall be
13 paid from the first money available for distribution in
14 priority to all other claims and liens, except insofar as the
15 laws of the United States may give a prior claim to the
16 Federal Government.

17 (2) Any person charged with the administration or
18 distribution of the property or estate, who violates the
19 provisions of this section, shall be personally liable for
20 any taxes imposed by this chapter, which are accrued and
21 unpaid and are chargeable against the person whose property
22 or estate is being administered or distributed.

23 (e) Construction.--Subject to the limitations contained in
24 this chapter as to the assessment of taxes, nothing contained in
25 this section shall be construed to restrict, prohibit or limit
26 the use by the department in collecting taxes finally due and
27 payable of any other remedy or procedure available at law or
28 equity for the collection of debts.

29 Section 743. Suit for taxes.

30 (a) General rule.--At any time within three years after any

1 tax or any amount of tax shall be finally due and payable, the
2 department may commence an action in the courts of this
3 Commonwealth, of any state or of the United States, in the name
4 of the Commonwealth, to collect the amount of tax due together
5 with additions, interest, penalties and costs in the manner
6 provided at law or in equity for the collection of ordinary
7 debts.

8 (b) Prosecution by Attorney General.--The Attorney General
9 shall prosecute the action and, except as provided in this
10 chapter, the provisions of the Rules of Civil Procedure and the
11 provisions of the laws of this Commonwealth relating to civil
12 procedures and remedies shall, to the extent that they are
13 applicable, be available in such proceedings.

14 (c) Construction.--The provisions of this section are in
15 addition to any process, remedy or procedure for the collection
16 of taxes provided by this chapter or by the laws of this
17 Commonwealth, and this section is neither limited by nor
18 intended to limit any such process, remedy or procedure.

19 Section 744. Tax suit comity.

20 The courts of this Commonwealth shall recognize and enforce
21 liabilities for sales and use taxes, lawfully imposed by any
22 other state if the other state extends a like comity to this
23 Commonwealth.

24 Section 745. Service.

25 (a) General rule.--Any person who maintains a place of
26 business in this Commonwealth is deemed to have appointed the
27 Secretary of the Commonwealth as the person's agent for the
28 acceptance of service of process or notice in any proceedings
29 for the enforcement of the civil provisions of this chapter, and
30 any service made upon the Secretary of the Commonwealth as agent

1 shall be of the same legal force and validity as if the service
2 had been personally made on the person.

3 (b) Substitute service.--Where service cannot be made on the
4 person in the manner provided by other laws of this Commonwealth
5 relating to service of process, service may be made on the
6 Secretary of the Commonwealth and, in such case, a copy of the
7 process or notice shall also be personally served on any agent
8 or representative of the person who may be found within this
9 Commonwealth, or where no such agent or representative may be
10 found a copy of the process or notice shall be sent by
11 registered mail to the person at the last known address of the
12 person's principal place of business, home office or residence.
13 Section 746. Collection and payment of tax on credit sales.

14 If any sale subject to tax under this chapter is wholly or
15 partly on credit, the vendor shall require the purchaser to pay
16 in cash at the time the sale is made, or within 30 days
17 thereafter, the total amount of tax due upon the entire purchase
18 price. The vendor shall remit the tax to the department,
19 regardless of whether payment was made by the purchaser to the
20 vendor, with the next return required to be filed under section
21 717.

22 Section 747. Prepayment of tax.

23 (a) General rule.--Whenever a vendor is prohibited by law or
24 governmental regulation to charge and collect the purchase price
25 in advance of or at the time of delivery, the vendor shall
26 prepay the tax as required by this chapter, but in that case, if
27 the purchaser fails to pay to the vendor the total amount of the
28 purchase price and the tax and the amount is written off as
29 uncollectible by the vendor, the vendor shall not be liable for
30 the tax and shall be entitled to a credit or refund of the tax

1 paid.

2 (b) Subsequent collection of tax.--If the purchase price is
3 thereafter collected, in whole or in part, the amount collected
4 shall be first applied to the payment of the entire tax portion
5 of the bill, and shall be remitted to the department by the
6 vendor with the first return filed after such collection.

7 (c) Time period for refund.--Tax prepaid shall be subject to
8 refund on petition to the department under the provisions of
9 section 752, filed within 105 days of the close of the fiscal
10 year in which the accounts are written off.

11 Section 747.1. Refund of sales tax attributed to bad debt.

12 (a) General rule.--A vendor may file a petition for refund
13 of sales tax paid to the department that is attributed to a bad
14 debt if all of the following apply:

15 (1) The purchaser fails to pay the total purchase price.

16 (2) The purchase price is written off, either in whole
17 or in part, as a debt on the books and records of the vendor
18 or an affiliate of the vendor.

19 (3) The bad debt has been deducted for Federal income
20 tax purposes under section 166 of the Internal Revenue Code
21 of 1986.

22 (a.1) Time for filing petition.--A petition for refund,
23 which is authorized by this section, must be filed with the
24 department within the time limitations under section 3003.1(a)
25 of the Tax Reform Code of 1971.

26 (a.2) Private-label credit cards.--In the case of private-
27 label credit card accounts not qualifying under subsection (a),
28 a vendor or lender that makes an election pursuant to subsection
29 (a.3) shall be entitled to file a petition for refund of sales
30 tax that the vendor has previously reported and paid to the

1 department, if all of the following conditions are met:

2 (1) No refund was previously allowed with respect to the
3 portion of the account written off as a bad debt.

4 (2) The account has been found worthless and written
5 off, either in whole or in part, as bad debt on the books and
6 records of the lender or an affiliate of the lender.

7 (3) The account has been deducted for Federal income tax
8 purposes under section 166 of the Internal Revenue Code of
9 1986 by the lender or an affiliate of the lender.

10 (a.3) Joint election.--In order to be eligible for a refund
11 under subsection (a.2), the lender and the vendor must execute
12 and file with the department a joint election, signed by both
13 parties, designating which party is entitled to claim the
14 refund. This election may not be revoked unless a written notice
15 is signed by the party that signed the election being revoked
16 and is filed with the department.

17 (b) Limitation.--

18 (1) The refund authorized by this section shall be
19 limited to the sales tax paid to the department that is
20 attributed to the bad debt, less any discount under section
21 727.

22 (2) Partial payments by the purchaser shall be prorated
23 between the original purchase price and the sales tax due on
24 the sale.

25 (3) Payments made on any transaction which includes both
26 taxable and nontaxable components shall be allocated
27 proportionally between the taxable and nontaxable components.

28 (c) Assignment.--A vendor or lender may assign its right to
29 petition and receive a refund of sales tax attributed to a bad
30 debt to an affiliate.

1 (d) Items not refundable.--No refund shall be granted under
2 this section for interest, finance charges or expenses incurred
3 in attempting to collect any amount receivable.

4 (e) Documentation.--Documentation requirements are as
5 follows:

6 (1) Any person claiming a refund under this section
7 shall, on request, make available adequate books, records or
8 other documentation supporting the claimed refund, including:

9 (i) Date of original sale, name and Pennsylvania
10 sales tax license number of the retailer.

11 (ii) Name and address of purchaser.

12 (iii) Amount that the purchaser paid or agreed to
13 pay.

14 (iv) Taxable and nontaxable charges.

15 (v) Amount on which the retailer reported and paid
16 sales tax.

17 (vi) All payments or other credits applied to the
18 account of the purchaser.

19 (vii) Evidence that the uncollected amount has been
20 designated as a bad debt in the books and records of the
21 vendor or lender, as appropriate, and that the amount has
22 been claimed as a bad debt deduction for Federal income
23 tax purposes.

24 (viii) The county in which any local sales tax was
25 incurred.

26 (ix) The unpaid portion of the sales price.

27 (x) A certification, under penalty of perjury, that
28 no person has collected money on the bad debt for which
29 the refund is claimed.

30 (xi) Any other information required by the

1 department.

2 (2) A person claiming a refund under this section may
3 provide alternative forms of documentation acceptable to the
4 department if appropriate in light of the volume and
5 character of uncollectible accounts. This includes the
6 following:

7 (i) If a vendor remits sales or use tax to the
8 Commonwealth and to another state, the entity claiming a
9 refund under this section may use an apportionment method
10 to substantiate the amount of Pennsylvania tax included
11 in the bad debts to which the refund applies.

12 (ii) The apportionment method must use the vendor's
13 Pennsylvania and non-Pennsylvania sales, the vendor's
14 taxable and nontaxable sales and the amount of tax the
15 vendor remitted to Pennsylvania.

16 (f) Subsequent collection.--

17 (1) If the purchase price that is attributed to a prior
18 bad debt refund is collected in whole or in part by the
19 vendor or lender, or an affiliate of the vendor or lender,
20 the entity claiming the refund shall remit the proportional
21 tax to the department with the first return filed after the
22 collection. If the entity is not required to file periodic
23 returns, the entity shall remit the proportional tax to the
24 department with another return pursuant to section 717(c).

25 (2) Any consideration received for the assignment, sale
26 or other transfer of a bad debt with respect to which a
27 refund has been granted shall be deemed to be a collection of
28 a prior bad debt. This paragraph shall not apply to a
29 transfer to an entity that is part of the same affiliated
30 group, as defined by section 1504(a)(1) of the Internal

1 Revenue Code of 1986.

2 (3) A person that collects, in whole or in part, the
3 purchase price attributed to a prior bad debt refund is
4 required to maintain adequate books, records or other
5 documentation to allow the department to determine whether
6 the purchase price attributed to a prior bad debt refund has
7 been collected. Information under this paragraph includes the
8 pertinent facts required by subsection (e).

9 (4) If it is determined by the department that a prior
10 bad debt has been collected, in whole or in part, and the
11 proportional tax has not been properly reported and paid to
12 the department, the person that claimed the refund on the
13 transaction shall report and pay the proportional tax to the
14 department plus applicable interest and penalty under this
15 chapter.

16 (g) Interest prohibited.--Notwithstanding the provisions of
17 section 806.1 of the Fiscal Code, no interest shall be paid by
18 the Commonwealth on refunds of sales tax attributed to bad debt
19 under this section.

20 (h) Administration.--

21 (1) No refund or credit of sales tax shall be made for
22 any uncollected purchase price or bad debt except as
23 authorized by this section.

24 (2) No deduction or credit for bad debt may be taken on
25 any return filed with the department.

26 (3) This section shall provide the exclusive procedure
27 for claiming a refund or credit of sales tax attributed to
28 uncollected purchase price or bad debt.

29 (i) Definitions.--As used in this section, the following
30 words and phrases shall have the meanings given to them in this

1 subsection unless the context clearly indicates otherwise:

2 "Affiliate." A person that is:

3 (1) An affiliated entity under section 1504(a)(1) of the
4 Internal Revenue Code of 1986.

5 (2) A person described in paragraph (1) or (2) of the
6 definition of "lender" that would be an affiliated entity,
7 under section 1504(a)(1) of the Internal Revenue Code of
8 1986, of a vendor but for the fact the person is not a
9 corporation, an assignee or another transferee of a person
10 described in paragraph (1) or (2) of the definition of
11 "lender".

12 "Lender." Any of the following:

13 (1) A person that owns or has owned a private-label
14 credit card account purchased directly from a vendor that
15 reported the tax under this chapter.

16 (2) A person that owns or has owned a private-label
17 credit card account pursuant to a contract directly with the
18 vendor that reported the tax under this chapter.

19 (3) A person that is:

20 (i) an affiliate of a person described in paragraph
21 (1) or (2); or

22 (ii) an assignee or other transferee of a person
23 described in paragraph (1) or (2).

24 "Private-label credit card." Any charge card, credit card or
25 other instrument serving similar purpose which carries, refers
26 to or is branded with the name or logo of a vendor and which can
27 be used for purchases from the vendor. The term does not include
28 a card or instrument which may also be used to make purchases
29 from persons other than the vendor whose name or logo appears on
30 the card or instrument or that vendor's affiliates. Nothing in

1 this definition shall be construed to authorize a refund with
2 respect to bad debts attributable to sales by unrelated persons
3 referred to in this definition.

4 Section 748. Registration of transient vendors.

5 (a) General rule.--Prior to conducting business or otherwise
6 commencing operations in this Commonwealth, a transient vendor
7 shall register with the department. The application for
8 registration shall be in such form and contain such information
9 as the department, by regulation, shall prescribe and shall set
10 forth truthfully and accurately the information desired by the
11 department. This registration shall be renewed and updated
12 annually.

13 (b) Certificate to be issued.--After registration and the
14 posting of the bond required by section 748.1, the department
15 shall issue to the transient vendor a certificate valid for one
16 year. On renewal of registration, the department shall issue a
17 new certificate valid for one year, if the department is
18 satisfied that the transient vendor has complied with the
19 provisions of this chapter.

20 (c) Possession and exhibition of certificate.--The transient
21 vendor shall possess the certificate at all times when
22 conducting business within this Commonwealth and shall exhibit
23 the certificate upon demand by authorized employees of the
24 department or any law enforcement officer.

25 (d) Contents of certificate.--The certificate issued by the
26 department shall state that the transient vendor named in the
27 certificate has registered with the department and shall provide
28 notice to the transient vendor that:

29 (1) The transient vendor must notify the department in
30 writing before it enters this Commonwealth to conduct

1 business, of the location or locations where it intends to
2 conduct business and the date or dates on which it intends to
3 conduct business.

4 (2) Failure to notify or giving false information to the
5 department may result in suspension or revocation of the
6 transient vendor's certificate.

7 (3) Conducting business in this Commonwealth after a
8 certificate has been suspended or revoked may result in
9 criminal conviction and the imposition of fines or other
10 penalties.

11 Section 748.1. Bond.

12 (a) General rule.--Upon registration with the department, a
13 transient vendor shall also post a bond with the department in
14 the amount of \$500 as surety for compliance with the provisions
15 of this chapter. After a period of demonstrated compliance with
16 these provisions or, if the transient vendor provides the
17 license number of a promoter who has notified the department of
18 a show, in accordance with the provisions of section 748.6(a),
19 the department may reduce the amount of bond required of a
20 transient vendor or may eliminate the bond entirely.

21 (b) Voluntary suspension of certificate.--A transient vendor
22 may file a request for voluntary suspension of certificate with
23 the department. If the department is satisfied that the
24 provisions of this chapter have been complied with and has
25 possession of the transient vendor's certificate, it shall
26 return the bond posted to the transient vendor.

27 Section 748.2. Notification to department.

28 (a) General rule.--Prior to entering this Commonwealth to
29 conduct business, a transient vendor shall notify the department
30 in writing of the location or locations where it intends to

1 conduct business and the date or dates on which it intends to
2 conduct business.

3 (b) Inspection of records.--While conducting business in
4 this Commonwealth, the transient vendor shall permit authorized
5 employees of the department to inspect its sales records,
6 including, but not limited to, sales receipts and inventory or
7 price lists and to permit inspection of the tangible personal
8 property offered for sale at retail.

9 (c) Conditions for suspension or revocation of
10 certificate.--The department may suspend or revoke a certificate
11 issued to a transient vendor if the transient vendor:

12 (1) fails to notify the department as required by
13 subsection (a);

14 (2) provides the department with false information
15 regarding the conduct of business in this Commonwealth;

16 (3) fails to collect sales tax on all tangible personal
17 property or services sold subject to the sales tax; or

18 (4) fails to file with the department a tax return as
19 required by section 717.

20 (d) Regulations.--The department shall promulgate the rules
21 and regulations necessary to implement this section.

22 Section 748.3. Seizure of property.

23 (a) General rule.--If a transient vendor conducting business
24 in this Commonwealth fails to exhibit a valid certificate on
25 demand by authorized employees of the department, those
26 authorized employees shall seize, without warrant, the tangible
27 personal property and the automobile, truck or other means of
28 transportation used to transport or carry that property. All
29 property seized shall be deemed contraband and shall be subject
30 to immediate forfeiture proceedings instituted by the department

1 pursuant to procedures adopted by regulation, except as
2 otherwise provided by this section.

3 (b) Release of seized property.--Property seized pursuant to
4 subsection (a) shall be released on:

5 (1) presentation of a valid certificate to authorized
6 employees of the department; or

7 (2) registration by the transient vendor with the
8 department and the posting of a bond in the amount of \$500,
9 either immediately or within 15 days after the property is
10 seized.

11 Section 748.4. Fines.

12 Any transient vendor conducting business in this Commonwealth
13 while its certificate is suspended or revoked, as provided by
14 sections 748.1(b) and 748.2(c), commits a misdemeanor of the
15 third degree and, upon conviction, shall be sentenced to pay a
16 fine of not more than \$2,500 for each offense.

17 Section 748.5. Transient vendors subject to chapter.

18 Except as otherwise provided, a transient vendor shall be
19 subject to the provisions of this chapter in the same manner as
20 a vendor who maintains a place of business in this Commonwealth.

21 Section 748.6. Promoters.

22 (a) General rule.--A promoter of a show or shows in this
23 Commonwealth may annually file with the department an
24 application for a promoter's license stating the location and
25 dates of such show or shows. The application shall be filed at
26 least 30 days prior to the opening of the first show and shall
27 be in such form as the department may prescribe.

28 (b) License.--

29 (1) Except as otherwise provided in this chapter, the
30 department shall, within 15 days after receipt of an

1 application for a license, issue to the promoter without
2 charge a license to operate such shows.

3 (2) If application for a license under this section has
4 been timely filed and if the license has not been received by
5 the promoter prior to the opening of the show, the
6 authorization contained in this section with respect to the
7 obtaining of a promoter's license shall be deemed to have
8 been complied with, unless or until the promoter receives
9 notice from the department denying the application for a
10 promoter's license.

11 (c) Compliance.--Any promoter who is a vendor under the
12 provisions of section 701 shall comply with all the provisions
13 of this chapter applicable to vendors and with the provisions of
14 this section applicable to promoters.

15 (d) Prohibited conduct.--No licensed promoter shall permit
16 any person to display for sale or to sell tangible personal
17 property or services subject to tax under section 702 at a show
18 unless the person is licensed under section 708 and provides to
19 the promoter the information required under law.

20 (e) Penalties.--

21 (1) Any licensed promoter who:

22 (i) permits any person to display for sale or to
23 sell tangible personal property or service without first
24 having been licensed under section 708;

25 (ii) fails to maintain records of a show as required
26 by law; or

27 (iii) knowingly maintains false records or fails to
28 comply with any provision contained in this section or
29 any regulation promulgated by the department pertaining
30 to shows,

1 shall be subject to denial of a license or the revocation of
2 any existing license issued pursuant to this section.

3 (2) The department may deny the promoter a license
4 certificate to operate a show for a period of not more than
5 six months from the date of such denial. The penalty shall be
6 in addition to any other penalty imposed by this chapter.

7 (3) Within 20 days of notice of denial or revocation of
8 a license by the department, the promoter may petition the
9 department for a hearing pursuant to 2 Pa.C.S. (relating to
10 administrative law and procedure).

11 Section 749. (Reserved).

12 Section 750. (Reserved).

13 Section 751. (Reserved).

14 Section 752. Refunds.

15 (a) General rule.--Subject to the provisions of subsection
16 (b), the department shall, pursuant to the provisions of Article
17 XXVII of the Tax Reform Code of 1971, refund all taxes, interest
18 and penalties paid to the Commonwealth under the provisions of
19 this chapter and to which the Commonwealth is not rightfully
20 entitled. The refunds shall be made to the person, the person's
21 heirs, successors, assigns or other personal representatives,
22 who actually paid the tax.

23 (b) Exception.--No refund shall be made under this section
24 with respect to any payment made by reason of an assessment with
25 respect to which a taxpayer has filed a petition for
26 reassessment pursuant to section 2702 of the Tax Reform Code of
27 1971 to the extent that the petition has been determined
28 adversely to the taxpayer by a decision which is no longer
29 subject to further review or appeal.

30 (c) Construction.--Nothing contained in this section shall

1 be deemed to prohibit a taxpayer who has filed a timely petition
2 for reassessment from amending it to a petition for refund where
3 the petitioner has paid the tax assessed.

4 Section 753. Refund petition.

5 (a) General rule.--Except as provided for in subsection (b)
6 and section 756, the refund or credit of tax, interest or
7 penalty provided for by section 752 shall be made only where the
8 person who has actually paid the tax files a petition for refund
9 with the department under Article XXVII of the Tax Reform Code
10 of 1971, within the limits of section 3003.1 of the Tax Reform
11 Code of 1971.

12 (b) Assessments.--A refund or credit of tax, interest or
13 penalty paid as a result of an assessment made by the department
14 under section 731 shall be made only where the person who has
15 actually paid the tax files with the department a petition for a
16 refund with the department under Article XXVII of the Tax Reform
17 Code of 1971 within the time limits of section 3003.1 of the Tax
18 Reform Code of 1971. The filing of a petition for refund under
19 the provisions of this subsection shall not affect the abatement
20 of interest, additions or penalties to which the person may be
21 entitled by reason of the person's payment of the assessment.

22 Section 754. (Reserved).

23 Section 755. (Reserved).

24 Section 756. Extended time for filing special petition for
25 refund.

26 (a) General rule.--Any party to a transaction who has paid
27 tax by reason of a transaction with respect to which the
28 department is assessing tax against another person may, within
29 six months after the filing by the department of the assessment
30 against the other person, file a special petition for refund,

1 notwithstanding the person's failure to timely file a petition
2 pursuant to section 3003.1 of the Tax Reform Code of 1971. The
3 provisions of Article XXVII of the Tax Reform Code of 1971 shall
4 be applicable to the special petition for refund, except that
5 the department need not act on the petition until there is a
6 final determination as to the propriety of the assessment filed
7 against the other party to the transaction. Where a petition is
8 filed under this provision in order to take advantage of the
9 extended period of limitations, overpayments by the petitioner
10 shall be refunded but only to the extent of the actual tax,
11 without consideration of interest and penalties, paid by the
12 other party to the transaction.

13 (b) Purpose.--The purpose of this section is to avoid
14 duplicate payment of tax where a determination is made by the
15 department that one party to a transaction is subject to tax,
16 and another party to the transaction has previously paid tax
17 with respect to the transaction and, as such, this section shall
18 be construed as extending right beyond that provided for by
19 section 753, and not to limit the other section.

20 Section 757. (Reserved).

21 Section 758. Limitation on assessment and collection.

22 The amount of the tax imposed by this chapter shall be
23 assessed within three years after the date when the return
24 provided for by section 717(a) or (c) is filed or the end of the
25 year in which the tax liability arises, whichever occurs later.
26 Any assessment may be made at any time during the period
27 notwithstanding that the department may have made one or more
28 previous assessments against the taxpayer for the year in
29 question, or for any part of the year. In any case, no credit
30 shall be given for any penalty previously assessed or paid.

1 Section 759. Failure to file return.

2 Where no return is filed, the amount of the tax due may be
3 assessed and collected at any time as to taxable transactions
4 not reported.

5 Section 760. False or fraudulent return.

6 Where the taxpayer willfully files a false or fraudulent
7 return with intent to evade the tax imposed by this chapter, the
8 amount of tax due may be assessed and collected at any time.

9 Section 761. Extension of limitation period.

10 Notwithstanding any other provisions of this subchapter
11 where, before the expiration of the period prescribed in that
12 other provision for the assessment of a tax, a taxpayer has
13 consented in writing that the period be extended, the amount of
14 tax due may be assessed at any time within the extended period.
15 The period so extended may be extended further by subsequent
16 consents in writing made before the expiration of the extended
17 period.

18 Section 762. (Reserved).

19 Section 763. (Reserved).

20 Section 764. (Reserved).

21 Section 765. (Reserved).

22 Section 766. Additions to tax.

23 (a) Failure to file return.--In the case of failure to file
24 any return required by section 715 on the date prescribed for
25 the return, determined with regard to any extension of time for
26 filing, and, in the case in which a return filed understates the
27 true amount due by more than 50%, there shall be added to the
28 amount of tax actually due 5% of the amount of the tax if the
29 failure to file a proper return is for not more than one month,
30 with an additional 5% for each additional month, or fraction

1 thereof, during which such failure continues, not exceeding 25%
2 in the aggregate. In every case at least \$2 shall be added.

3 (b) Addition for understatement.--There shall be added to
4 every assessment under section 731(b) an addition equal to 5% of
5 the amount of the understatement and no addition to the tax
6 shall be paid under section 731(a).

7 Section 767. Penalties.

8 (a) General rule.--The penalties, additions, interest and
9 liabilities provided by this chapter shall be paid on notice and
10 demand by the department, and shall be assessed and collected in
11 the same manner as taxes. Except as otherwise provided, any
12 reference in this chapter to tax imposed by this chapter shall
13 be deemed also to refer to the penalties, additions, interest
14 and liabilities provided by this chapter.

15 (b) Monetary penalty.--Any person who willfully attempts, in
16 any manner, to evade or defeat the tax imposed by this chapter,
17 or the payment thereof, or to assist any other person to evade
18 or defeat the tax imposed by this chapter, or the payment
19 thereof, or to receive a refund improperly shall, in addition to
20 other penalties provided by law, be liable for a penalty equal
21 to one-half of the total amount of the tax evaded.

22 (c) Burden of proof.--In any direct proceeding arising out
23 of a petition for reassessment or refund as provided in this
24 chapter, in which an issue of fact is raised with respect to
25 whether a return is fraudulent or with respect to the propriety
26 of the imposition by the department of the penalty prescribed in
27 subsection (b), the burden of proof with respect to the issue
28 shall be on the department.

29 Section 768. Criminal offenses.

30 (a) False returns.--Any person who with intent to defraud

1 the Commonwealth willfully makes, or causes to be made, any
2 return required by this chapter which is false commits a
3 misdemeanor and, upon conviction, shall be sentenced to pay a
4 fine of not more than \$2,000 or to imprisonment not exceeding
5 three years, or both.

6 (b) Other offenses.--Except as otherwise provided by
7 subsection (a) and subject to the provisions of subsection (c),
8 any person who:

9 (1) advertises or holds out or states to the public or
10 to any purchaser or user, directly or indirectly, that the
11 tax or any part imposed by this chapter will be absorbed by
12 the person, or that it will not be added to the purchase
13 price of the tangible personal property or services described
14 in section 701(k)(2), (3), (4), (11), (12), (13), (14), (15),
15 (16), (17), (18) and (20) sold or, if added, that the tax or
16 any part will be refunded, other than when the person refunds
17 the purchase price because of the property being returned to
18 the vendor;

19 (2) sells or leases tangible personal property or the
20 services, the sale or use of which by the purchaser is
21 subject to tax under this chapter, and willfully fails to
22 collect the tax from the purchaser and timely remit the same
23 to the department;

24 (3) willfully fails or neglects to timely file any
25 return or report required by this chapter or, as a taxpayer,
26 refuses to timely pay any tax, penalty or interest imposed or
27 provided for by this chapter, or willfully fails to preserve
28 the person's books, papers and records as directed by the
29 department;

30 (4) refuses to permit the department or any of its

1 authorized agents to examine the person's books, records or
2 papers, or who knowingly makes any incomplete, false or
3 fraudulent return or report;

4 (5) does or attempts to do anything to prevent the full
5 disclosure of the amount or character of taxable sales
6 purchases or use made by himself or any other person;

7 (6) provides any person with a false statement as to the
8 payment of tax with respect to particular tangible personal
9 property or services; or

10 (7) makes, utters or issues a false or fraudulent
11 exemption certificate;

12 commits a misdemeanor and, upon conviction shall be sentenced to
13 pay a fine of not more than \$1,000 and costs of prosecution or
14 to imprisonment for not more than one year, or both.

15 (c) Exceptions.--

16 (1) Any person who maintains a place of business outside
17 this Commonwealth may absorb the tax with respect to taxable
18 sales made in the normal course of business to customers
19 present at that place of business without being subject to
20 the penalty and fines.

21 (2) Advertising tax-included prices shall be
22 permissible, if the prepaid services are sold by the service
23 provider, for prepaid telecommunications services not
24 evidenced by the transfer of tangible personal property or
25 for prepaid mobile telecommunications services.

26 (d) Penalties are cumulative.--The penalties imposed by this
27 section shall be in addition to any other penalties imposed by
28 any provision of this chapter.

29 Section 769. Abatement of additions or penalties.

30 On the filing of a petition for reassessment or a petition

1 for refund as provided under this chapter by a taxpayer,
2 additions or penalties imposed on the taxpayer by this chapter
3 may be waived or abated, in whole or in part, where the
4 petitioner has established that the petitioner has acted in good
5 faith, without negligence and with no intent to defraud.

6 Section 770. Rules and regulations.

7 (a) General rule.--The department shall enforce the
8 provisions of this chapter and shall prescribe, adopt,
9 promulgate and enforce rules and regulations not inconsistent
10 with the provisions of this chapter, relating to any matter or
11 thing pertaining to the administration and enforcement of the
12 provisions of this chapter, and the collection of taxes,
13 penalties and interest imposed by this chapter. The department
14 may prescribe the extent, if any, to which any of the rules and
15 regulations shall be applied without retroactive effect.

16 (b) Determination of purchase price.--

17 (1) In determining the purchase price of taxable sales
18 where, because of affiliation of interests between the vendor
19 and the purchaser or irrespective of any such affiliation, if
20 for any other reason, the purchase price of the sale is in
21 the opinion of the department not indicative of the true
22 value of the article or the fair price of the article, the
23 department shall, pursuant to uniform and equitable rules,
24 determine the amount of constructive purchase price on the
25 basis of which the tax shall be computed and levied.

26 (2) The rules shall provide for a constructive amount of
27 a purchase price for each sale, which price shall equal a
28 price for the article which would naturally and fairly be
29 charged in an arm's-length transaction in which the element
30 of common interests between vendor and purchaser or, if no

1 common interest exists, any other element causing a
2 distortion of the price or value is absent.

3 (3) For the purpose of this chapter where a taxable sale
4 occurs between a parent corporation and a subsidiary
5 affiliate or controlled corporation of such parent, there
6 shall be a rebuttable presumption that because of such common
7 interest the transaction was not at arm's-length.

8 Section 771. Keeping of records.

9 (a) Persons liable for taxes.--Every person liable for any
10 tax imposed by this chapter, or for the collection of the tax,
11 shall keep the records, render such statements, make the returns
12 and comply with the rules and regulations as the department may,
13 from time to time, prescribe regarding matters pertinent to the
14 person's business. Whenever in the judgment of the department it
15 is necessary, it may require any person, by notice served on the
16 person, or by regulations, to make the returns, render the
17 statements or keep the records as the department deems
18 sufficient to show whether the person is liable to pay or
19 collect tax under this chapter.

20 (b) Persons collecting taxes.--Any person liable to collect
21 tax from another person under the provisions of this chapter
22 shall file reports, keep records, make payments and be subject
23 to interest and penalties as provided for under this chapter, in
24 the same manner as if the person were directly subject to the
25 tax.

26 (c) Nonresidents.--

27 (1) A nonresident who does business in this Commonwealth
28 as a retail dealer shall keep adequate records of the
29 business and of the tax due with respect to the business,
30 which records shall at all times be retained within this

1 Commonwealth unless retention outside this Commonwealth is
2 authorized by the department.

3 (2) No taxes collected from purchasers shall be sent
4 outside this Commonwealth without the written consent of and
5 in accordance with conditions prescribed by the department.

6 (3) The department may require a taxpayer who desires to
7 retain records or tax collections outside this Commonwealth
8 to assume reasonable out-of-State audit expenses.

9 (d) Retail dealers.--

10 (1) Any person doing business as a retail dealer who at
11 the same time is engaged in another business which does not
12 involve the making of sales taxable under this chapter shall
13 keep separate books and records of the person's businesses so
14 as to show the sales taxable under this chapter separately
15 from the sales not taxable under this chapter.

16 (2) If the person fails to keep such separate books and
17 records, the person shall be liable for tax at the rate
18 designated in section 702 on the entire purchase price of
19 sales from both or all of the person's businesses.

20 (e) Segregation of taxes required.--

21 (1) In those instances where a vendor gives no sales
22 memoranda or uses registers showing only total sales, the
23 vendor shall adopt some method of segregating tax from sales
24 receipts and keep records showing the segregation, all in
25 accordance with proper accounting and business practices.

26 (2) A vendor may apply to the department for permission
27 to use a collection and recording procedure which will show
28 the information as the law requires with reasonable accuracy
29 and simplicity. The application must contain a detailed
30 description of the procedure to be adopted.

1 (3) Permission to use the proposed procedure is not to
2 be construed as relieving the vendor from remitting the full
3 amount of tax collected.

4 (4) The department may revoke the permission on 30 days'
5 notice to the vendor.

6 (5) Refusal of the department to grant permission in
7 advance to use the procedure shall not be construed to
8 invalidate a procedure which on examination shows the
9 information as the law requires.

10 Section 771.1. Reports and records of promoters.

11 Every licensed promoter shall keep a record of the date and
12 place of each show and the name, address, sales, use and hotel
13 occupancy license number of every person whom the licensed
14 promoter permits to display for sale or to sell tangible
15 personal property or services subject to tax under section 702
16 at the show. The records shall be open for inspection and
17 examination at any reasonable time by the department or a duly
18 authorized representative, and the records shall, unless the
19 department consents in writing to an earlier destruction, be
20 preserved for three years after the date the report was filed or
21 the date it was due, whichever occurs later, except that the
22 department may by regulation require that they be kept for a
23 longer period of time.

24 Section 772. Examinations.

25 (a) Power of department.--The department or any of its
26 authorized agents may examine the books, papers and records of
27 any taxpayer in order to verify the accuracy and completeness of
28 any return made or if no return was made, to ascertain and
29 assess the tax imposed by this chapter. The department may
30 require the preservation of all such books, papers and records

1 for any period deemed proper by it but not to exceed three years
2 from the end of the calendar year to which the records relate.

3 (b) Duty of taxpayers.--Every taxpayer shall give to the
4 department, or its agent, the means, facilities and opportunity
5 for the examinations and investigation.

6 (c) Other powers of department.--

7 (1) The department is further authorized to examine any
8 person, under oath, concerning taxable sales or use by any
9 taxpayer or concerning any other matter relating to the
10 enforcement or administration of this chapter, and to this
11 end may compel the production of books, papers and records
12 and the attendance of all persons whether as parties or
13 witnesses whom it believes to have knowledge of such matters.

14 (2) The procedure for such hearings or examinations
15 shall be the same as that provided by the Fiscal Code
16 relating to inquisitorial powers of fiscal officers.

17 Section 773. Records and examinations of delivery agents.

18 Every agent for the purpose of delivery of goods shipped into
19 this Commonwealth by a nonresident, including, but not limited
20 to, a common carrier, shall maintain adequate records of such
21 deliveries pursuant to rules and regulations adopted by the
22 department and shall make the records available to the
23 department upon request after due notice.

24 Section 774. Unauthorized disclosure.

25 Any information gained by the department as a result of any
26 return, examination, investigation, hearing or verification
27 required or authorized by this chapter shall be confidential,
28 except for official purposes and except in accordance with
29 proper judicial order or as otherwise provided by law, and any
30 person unlawfully divulging such information commits a

1 misdemeanor and, upon conviction, shall be sentenced to pay a
2 fine of not more than \$1,000 and costs of prosecution or to
3 imprisonment for not more than one year, or both.

4 Section 775. Cooperation with other governments.

5 Notwithstanding the provisions of section 774, the department
6 may permit the Commissioner of Internal Revenue of the United
7 States, or the proper officer of any state, or the authorized
8 representative of either such officer, to inspect the tax
9 returns of any taxpayer, or may furnish to the officer or to the
10 officer's authorized representative an abstract of the return of
11 any taxpayer, or supply the officer or the authorized
12 representative with information concerning any item contained in
13 any return or disclosed by the report of any examination or
14 investigation of the return of any taxpayer. This permission
15 shall be granted only if the statutes of the United States or of
16 such other state, as the case may be, grant substantially
17 similar privileges to the proper officer of the Commonwealth
18 charged with the administration of this chapter.

19 Section 776. Interstate compacts.

20 (a) General rule.--The Governor, or the Governor's
21 authorized representative, may confer with the Governor and the
22 authorized representatives of other states with respect to
23 reciprocal use tax collection between the Commonwealth and such
24 other states.

25 (b) Other powers.--The Governor, or the Governor's
26 authorized representative, may join with the authorities of
27 other states to conduct joint investigations, to exchange
28 information, hold joint hearings and enter into compacts or
29 interstate agreements with such other states to accomplish
30 uniform reciprocal use tax collections between those states who

1 are parties to any compact or interstate agreement and the
2 Commonwealth.

3 Section 777. Bonds.

4 (a) Procedure.--

5 (1) Whenever the department, in its discretion, deems it
6 necessary to protect the revenues to be obtained under the
7 provisions of this chapter, it may require any nonresident
8 natural person or any foreign corporation, association,
9 fiduciary, partnership or other entity, not authorized to do
10 in this Commonwealth or not having an established place of
11 business in this Commonwealth and subject to the tax imposed
12 by section 702, to file a bond issued by a surety company
13 authorized to do business in this Commonwealth and approved
14 by the Insurance Commissioner as to solvency and
15 responsibility, in such amounts as it may fix, to secure the
16 payment of any tax or penalties due, or which may become due,
17 from a natural person or corporation.

18 (2) In order to protect the revenues to be obtained
19 under the provisions of this chapter, the department shall
20 require any nonresident natural person or any foreign
21 corporation, association, fiduciary, partnership or entity,
22 who or which is a building contractor, or who or which is a
23 supplier delivering building materials for work in this
24 Commonwealth and is not authorized to do business in this
25 Commonwealth or does not have an established place of
26 business in this Commonwealth and is subject to the tax
27 imposed by section 702, to file a bond issued by a surety
28 company authorized to do business in this Commonwealth and
29 approved by the Insurance Commissioner as to solvency and
30 responsibility, in the amounts as it may fix, to secure the

1 payments of any tax or penalties due, or which may become
2 due, from a natural person, corporation or other entity.

3 (3) The department may also require a bond of any person
4 petitioning the department for reassessment, in the case of
5 any assessment over \$500 or where it is of the opinion that
6 the ultimate collection is in jeopardy.

7 (4) (i) The department may, for a period of three
8 years, require a bond of any person who has on three or
9 more occasions within a 12-month period either filed a
10 return or made payment to the department more than 30
11 days late.

12 (ii) If the department determines that a taxpayer is
13 to file a bond, the department shall give notice to the
14 taxpayer to that effect, specifying the amount of the
15 bond required.

16 (iii) The taxpayer shall file a bond within five
17 days after the giving of the notice by the department
18 unless, within the five-day period, the taxpayer requests
19 in writing a hearing before the secretary or the
20 secretary's representative at which hearing the
21 necessity, propriety and amount of the bond shall be
22 determined by the secretary or a representative. The
23 determination shall be final and shall be complied within
24 15 days after notice is mailed to the taxpayer.

25 (b) Alternative security.--

26 (1) In lieu of the bond required by this section,
27 securities approved by the department, or cash in the amount
28 as it may prescribe, may be deposited.

29 (2) Such securities or cash shall be kept in the custody
30 of the department, who may, at any time, without notice to

1 the depositor, apply them to any tax and/or interest or
2 penalties due, and for that purpose the securities may be
3 sold by the department, at public or private sale, on five
4 days' written notice to the depositor.

5 (c) Lien may be filed.--

6 (1) The department may file a lien pursuant to section
7 742 against any taxpayer who fails to file a bond when
8 required to do so under this section.

9 (2) All funds received on execution of the judgment on
10 the lien shall be refunded to the taxpayer with 3% interest
11 should a final determination be made that the taxpayer does
12 not owe any payment to the department.

13 Section 778. Remote sales reports.

14 (a) Duty to submit.--Within 90 days of the publication of
15 the notice under subsection (b), the Independent Fiscal Office,
16 in conjunction with the department, shall submit a detailed
17 report to the chairperson and minority chairperson of the
18 Appropriations Committee of the Senate, the chairperson and
19 minority chairperson of the Finance Committee of the Senate, the
20 chairperson and minority chairperson of the Appropriations
21 Committee of the House of Representatives and the chairperson
22 and minority chairperson of the Finance Committee of the House
23 of Representatives outlining the plans concerning the
24 implementation of the legislation referenced in subsection (b)
25 or other substantially similar Federal legislation, which would
26 grant the Commonwealth the authority to impose and collect the
27 tax under this chapter due on sales from remote sellers. The
28 report shall include all of the following:

29 (1) The amount of State funds necessary to implement the
30 legislation referenced in subsection (b) or other

1 substantially similar legislation. The amount needed shall be
2 itemized and all costs, including personnel, office expenses
3 and other related costs, shall be included.

4 (2) The amount of State tax revenue expected to result
5 from the implementation of the legislation referenced in
6 subsection (b) or other substantially similar legislation for
7 the fiscal year and for five fiscal years thereafter.

8 (3) The source of funds which will be utilized to pay
9 for the legislation referenced in subsection (b) or other
10 substantially similar legislation implementation program.

11 (4) The legal and practical issues concerning the
12 propriety of collecting and enforcing the tax imposed under
13 this chapter from remote sellers.

14 (5) The number of other states which have a similar law
15 in effect and the success or deficiencies of the law.

16 (6) Proposed draft legislation concerning the
17 implementation of the legislation referenced in subsection
18 (b) or other substantially similar legislation.

19 (7) A detailed timetable on when separate tasks must be
20 completed for full implementation on an estimated start date.

21 (b) Notice in the Pennsylvania Bulletin.--The secretary
22 shall publish notice in the Pennsylvania Bulletin that Federal
23 legislation relating to remote sellers has been enacted.

24 SUBCHAPTER G

25 FUNDING PROVISIONS

26 Section 780. (Reserved).

27 Section 781. Appropriation for refunds.

28 So much of the proceeds of the tax imposed by this chapter as
29 shall be necessary for the payment of refunds, enforcement or
30 administration under this chapter is hereby appropriated for

1 those purposes.

2 Section 781.1. Construction.

3 To the extent that the language of this chapter is identical
4 to that of equivalent provisions in the former act of March 6,
5 1956 (P.L.1228, No.381), known as the Tax Act of 1963 for
6 Education, or Article II of the Tax Reform Code of 1971, that
7 language shall be deemed a reenactment of such identical
8 provisions.

9 Section 782. Transfers to Education Stabilization Fund.

10 (a) Deposit of sales and use tax and hotel occupancy tax
11 collected.--The secretary shall deposit into the Education
12 Stabilization Fund revenues received on or after January 1,
13 2020, regardless of the transaction date, that equal the portion
14 of the tax imposed by this chapter as follows:

15 (1) Except as otherwise provided in section 2301 of the
16 Tax Reform Code of 1971 providing for the establishment of
17 the Public Transportation Assistance Fund, 39.6% of the tax
18 collected on the sales at retail and use of tangible personal
19 property and services as provided in Subchapter B.

20 (2) One-seventh of the hotel occupancy tax collected
21 under Subchapter E.

22 (b) (Reserved).

23 Section 783. Transfers to Public Transportation Assistance
24 Fund.

25 (a) General rule.--All revenues received on or after July 1,
26 1992, from the imposition of tax on periodicals shall be
27 transferred to the Public Transportation Assistance Fund
28 according to the formula set forth in subsection (b).

29 (b) Transfer.--Within 30 days of the close of any calendar
30 month, 0.596% of the taxes received in the previous month under

1 this chapter, less any amounts collected in that previous
2 calendar month under former 74 Pa.C.S. § 1314(d) (relating to
3 Public Assistance Transportation Fund), shall be transferred to
4 the Public Transportation Assistance Fund.

5 (c) Deposit.--In fiscal year 1991-1992, the Secretary of
6 Revenue shall ensure that \$10,000,000 is deposited into the
7 Public Assistance Transportation Fund from the combination of
8 revenues received under former 74 Pa.C.S. § 1314(d) and
9 transfers of periodical taxes received under this chapter.

10 (d) Revenue.--Commencing February 20, 2020, and
11 notwithstanding the provisions of 74 Pa.C.S. § 1506(c) (1)
12 (relating to fund) to the contrary, the revenues deposited into
13 the Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c)
14 (1) shall be 2.769% of the amount collected under this chapter.
15 The amounts required to be deposited into the Public
16 Transportation Trust Fund under this subsection are estimated to
17 be equivalent to the revenue that would be deposited into the
18 Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c) (1)
19 if the amendments to section 702 were not enacted.

20 CHAPTER 9

21 EDUCATION COST COMMISSION

22 Section 901. Education Cost Commission.

23 (a) Establishment.--The Education Cost Commission is
24 established and shall exercise the powers and duties described
25 in this chapter.

26 (b) Membership.--The commission shall consist of the
27 following members:

28 (1) The chair and minority chair of the Education
29 Committee of the Senate and the chair and minority chair of
30 the Education Committee of the House of Representatives or

1 their designees.

2 (2) Two legislators from each of the four legislative
3 caucuses, to be appointed by the President pro tempore of the
4 Senate and the Speaker of the House of Representatives, in
5 consultation with the Majority Leader and Minority Leader of
6 the Senate and the Majority Leader and Minority Leader of the
7 House of Representatives.

8 (3) An individual appointed by the Governor from within
9 the Governor's Administration.

10 (c) Chairperson.--The members of the commission shall elect
11 one of its members as chairperson.

12 (d) Meetings.--The commission shall convene its first
13 meeting within 30 days of the effective date of this section and
14 other meetings as necessary shall occur at the call of the
15 chairperson.

16 (e) Duties.--The commission shall conduct an initial study
17 that identifies the largest cost drivers within public education
18 in this Commonwealth and make recommendations to the General
19 Assembly for reducing the cost drivers. The commission shall
20 perform a similar study every five years.

21 (f) Report to General Assembly.--The commission shall
22 prepare a report of its initial study and submit the initial
23 study with the General Assembly within six months of the
24 effective date of this section. The commission shall prepare a
25 report of each similar study every five years and submit the
26 report not later than five years from the previous report.

27 CHAPTER 11

28 LIMIT ON SCHOOL DISTRICT TAXATION

29 AND EXPIRATION OF DEBT AUTHORITY

30 Section 1101. Definitions.

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

4 "Qualified refunding debt." School district debt issued
5 after the effective date of this section to refund existing
6 school district debt, which existing school district debt is
7 secured by a pledge of tax on real estate, provided the
8 refunding results in reducing total debt service over the life
9 of the debt or shortens the term of the debt.

10 "School district debt." All debt which a school district is
11 obligated to pay. The term does not include debt that is issued
12 after the effective date of this section to refund debt which
13 was outstanding prior to the effective date of this section,
14 provided the refunding results in reducing total debt service
15 over the life of the debt or shortens the term of the debt.

16 Section 1102. Coordination of school district fiscal years.

17 (a) General rule.--By July 1, 2020, a school district which
18 operates under a fiscal year other than the period beginning
19 July 1 of each calendar year and ending June 30 of the calendar
20 year next succeeding shall adopt a fiscal year which is the
21 period beginning July 1 of each calendar year and ending June 30
22 of the calendar year next succeeding.

23 (b) Duties.--The Department of Education shall provide
24 technical assistance and guidance to school districts subject to
25 assist school districts adopting a different fiscal year under
26 subsection (a).

27 Section 1103. Transition period.

28 Beginning with the effective date of this section and ending
29 July 1, 2020, a school district which levies a tax on real
30 property may not increase the rate of tax on real property above

1 the rate levied as of the effective date of this section.

2 Section 1104. School district debt and budgeting.

3 (a) General rule.--Beginning December 31, 2019, or on the
4 effective date of this section, whichever is later, a school
5 district may not incur any additional school district debt
6 secured by a pledge of tax on real estate, except for qualified
7 refunding debt.

8 (b) Certification.--By April 1, 2020, and by April 1 of each
9 year after, a school district shall certify and report to the
10 Department of Education all of the following:

11 (1) The amount of all outstanding school district debt.

12 (2) The repayment status of all outstanding school
13 district debt.

14 (3) The repayment terms of all outstanding school
15 district debt.

16 (4) The amount of annual debt service which must be paid
17 by the school district on the outstanding school district
18 debt.

19 (5) Any other information requested by the Department of
20 Education.

21 (c) Confirmation of information.--The Department of
22 Education may examine the books and records of a school district
23 in order to confirm the data submitted under subsection (b).

24 (d) Responsibilities.--By July 1, 2020, and by January 1
25 each year after, the Department of Education shall do all of the
26 following:

27 (1) Certify to the State Treasurer and the Office of the
28 Budget the amount of annual debt service payments necessary
29 for each school district to continue to repay its existing
30 outstanding school district debt.

1 "Base revenue." The money a school district receives from
2 school property taxes and the State property tax reduction
3 allocation received under section 505 of act of June 27, 2006
4 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief
5 Act, during fiscal year 2019-2020 and the amount of outstanding
6 delinquent school property taxes owed to the school district for
7 the fiscal year 2019-2020 less the amount certified by the
8 department under section 1104(d).

9 "Cost of living factor." The lesser of:

10 (1) the percentage increase in the Statewide average
11 weekly wage, as defined in 53 Pa.C.S. § 8401 (relating to
12 definitions), from the previous calendar year; or

13 (2) the average of the percentage increase in sales and
14 use tax collected under section 702 and the tax upon each
15 dollar of income collected under section 401(b)(1) and the
16 percentage increase of the hotel occupancy tax collected
17 under section 710 from the previous calendar year.

18 "Department." The Department of Education of the
19 Commonwealth.

20 "Fund." The Education Stabilization Fund established in
21 section 1302.

22 Section 1302. Education Stabilization Fund.

23 (a) Establishment.--The Education Stabilization Fund is
24 established as a separate fund in the State Treasury.

25 (b) Use.--The department shall use the fund to make
26 disbursements under section 1303.

27 (c) Continuing appropriation.--The money of the fund is
28 hereby continuously appropriated to the department as provided
29 in this act. This appropriation shall not lapse at the end of
30 any fiscal year.

1 Section 1302.1. Sources and transfers.

2 (a) Deposit.--The following shall be deposited into the
3 fund:

4 (1) Money remaining in the Property Tax Relief Fund
5 following utilization of funds to provide tax relief in
6 cities of the first class under Chapters 5 and 7 of the act
7 of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as the
8 Taxpayer Relief Act, and for property tax and rent rebates
9 under Chapter 14.

10 (2) Money collected by the department under section 401.

11 (3) Money collected by the department under Chapter 7.

12 (4) Appropriations.

13 (5) Return on money in the fund.

14 (b) Transfer from the fund.--

15 (1) Not later than June 30, 2019, and each June 30
16 thereafter, an amount equal to the refund reimbursement
17 factor multiplied by the amount of refunds issued under
18 Article III of the Tax Reform Code of 1971 for tax years in
19 which the tax imposed under Chapter 4 is applicable, shall be
20 transferred from the Education Stabilization Fund to the
21 General Fund.

22 (2) For the purpose of this subsection, "refund
23 reimbursement factor" means a fraction equal to the rate of
24 tax imposed under Chapter 4 divided by the sum of the rate of
25 tax imposed under Chapter 4 plus the rate of tax imposed
26 under Article III of the Tax Reform Code of 1971.

27 Section 1303. Standard disbursements to school districts from
28 Education Stabilization Fund.

29 (a) General rule.--In fiscal year 2020-2021, the department
30 shall disburse to each school district an amount equal to the

1 sum of the following:

2 (1) the school district's base revenues, plus

3 (2) the school district's base revenue multiplied by the
4 cost-of-living factor.

5 (b) Annual adjustment.--In fiscal year 2019-2020 and each
6 fiscal year thereafter, the department shall disburse to a
7 school district an amount equal to the sum of the following:

8 (1) The amount received by the school district in the
9 prior fiscal year under this section.

10 (2) The amount received by the school district in the
11 prior fiscal year under this section multiplied by the cost-
12 of-living factor.

13 (c) Distributions.--Disbursements under subsections (a) and
14 (b) shall be made at a time and in a manner determined by the
15 department in consultation with the Department of Revenue.

16 CHAPTER 14

17 SENIOR CITIZENS PROPERTY TAX AND

18 RENT REBATE ASSISTANCE

19 Section 1401. Scope of chapter.

20 This chapter provides senior citizens with assistance in the
21 form of property tax and rent rebates.

22 Section 1402. (Reserved).

23 Section 1403. Definitions.

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

27 "Board." The Board of Finance and Revenue of the
28 Commonwealth.

29 "Claimant." A person who files a claim for property tax
30 rebate or rent rebate in lieu of property taxes and:

1 (1) was at least 65 years of age or whose spouse, if a
2 member of the household, was at least 65 years of age during
3 a calendar year in which real property taxes or rent were due
4 and payable;

5 (2) was a widow or widower and was at least 50 years of
6 age during a calendar year or part thereof in which real
7 property taxes or rent were due and payable; or

8 (3) was a permanently disabled person 18 years of age or
9 older during a calendar year or part thereof in which the
10 real property taxes or rent were due and payable.

11 "Homestead." A dwelling, whether owned or rented, and so
12 much of the land surrounding it, as is reasonably necessary for
13 the use of the dwelling as a home, occupied by a claimant. The
14 term includes, but is not limited to:

15 (1) Premises occupied by reason of ownership or lease in
16 a cooperative housing corporation.

17 (2) Mobile homes which are assessed as realty for local
18 property tax purposes and the land, if owned or rented by the
19 claimant, upon which the mobile home is situated, and other
20 similar living accommodations.

21 (3) A part of a multidwelling or multipurpose building
22 and a part of the land upon which it is built.

23 (4) Premises occupied by reason of the claimant's
24 ownership or rental of a dwelling located on land owned by a
25 nonprofit incorporated association, of which the claimant is
26 a member, if the claimant is required to pay a pro rata share
27 of the property taxes levied against the association's land.

28 (5) Premises occupied by a claimant if the claimant is
29 required by law to pay a property tax by reason of the
30 claimant's ownership or rental, including a possessory

1 interest, in the dwelling, the land or both. An owner
2 includes a person in possession under a contract of sale,
3 deed of trust, life estate, joint tenancy or tenancy in
4 common or by reason of statutes of descent and distribution.

5 "Household income." All income received by a claimant and
6 the claimant's spouse while residing in the homestead during the
7 calendar year for which a rebate is claimed.

8 "Income." All income from whatever source derived,
9 including, but not limited to:

10 (1) Salaries, wages, bonuses, commissions, income from
11 self-employment, alimony, support money, cash public
12 assistance and relief.

13 (2) The gross amount of any pensions or annuities,
14 including railroad retirement benefits for calendar years
15 prior to 1999 and 50% of railroad retirement benefits for
16 calendar years 1999 and thereafter.

17 (3) (i) All benefits received under the Social Security
18 Act (49 Stat. 620, 42 U.S.C. § 301 et seq.), except
19 Medicare benefits, for calendar years prior to 1999, and
20 50% of all benefits received under the Social Security
21 Act, except Medicare benefits, for calendar years 1999
22 and thereafter.

23 (ii) Notwithstanding any other provision of this act
24 to the contrary, persons who, as of December 31, 2012,
25 are eligible for the property tax or rent rebate shall
26 remain eligible if the household income limit is exceeded
27 due solely to a Social Security cost-of-living
28 adjustment.

29 (iii) Eligibility in the property tax and rent
30 rebate program pursuant to subparagraph (ii) shall expire

1 on December 31, 2020.

2 (4) All benefits received under State unemployment
3 insurance laws.

4 (5) All interest received from the Federal or any state
5 government or any instrumentality or political subdivision
6 thereof.

7 (6) Realized capital gains and rentals.

8 (7) Workers' compensation.

9 (8) The gross amount of loss of time insurance benefits,
10 life insurance benefits and proceeds, except the first \$5,000
11 of the total of death benefit payments.

12 (9) Gifts of cash or property, other than transfers by
13 gift between members of a household, in excess of a total
14 value of \$300.

15 The term does not include surplus food or other relief in kind
16 supplied by a governmental agency, property tax or rent rebate,
17 inflation dividend, Federal veterans' disability payments or
18 State veterans' benefit.

19 "Permanently disabled person." A person who is unable to
20 engage in any substantial gainful activity by reason of any
21 medically determinable physical or mental impairment which can
22 be expected to continue indefinitely, except as otherwise
23 provided in this chapter.

24 "Real property taxes." All taxes on a homestead, exclusive
25 of municipal assessments, delinquent charges and interest, due
26 and payable during a calendar year.

27 "Rent rebate in lieu of property taxes." Twenty percent of
28 the gross amount actually paid in cash or its equivalent in any
29 calendar year to a landlord in connection with the occupancy of
30 a homestead by a claimant, irrespective of whether such amount

1 constitutes payment solely for the right of occupancy or
2 otherwise.

3 "State veterans' benefits." Service-connected compensation
4 or benefits of any kind provided to a veteran or an unmarried
5 surviving spouse of a veteran by a Commonwealth agency or
6 authorized under the laws of this Commonwealth.

7 "Taxpayer Relief Act." The act of June 27, 2006 (1st
8 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

9 "Widow" or "widower." The surviving wife or the surviving
10 husband, as the case may be, of a deceased individual and who
11 has not remarried except as otherwise provided in this chapter.
12 Section 1404. Property tax and rent rebate.

13 (a) Schedule of rebates.--

14 (1) The amount of any claim for property tax rebate or
15 rent rebate in lieu of property taxes for real property taxes
16 or rent due and payable during calendar years 1985 through
17 2005 shall be determined in accordance with the following
18 schedule:

19	Percentage of Real Property Taxes or	
20	Rent Rebate in Lieu of	
21	Household Income	Property Taxes Allowed as Rebate
22	\$ 0 - \$ 4,999	100%
23	5,000 - 5,499	100
24	5,500 - 5,999	90
25	6,000 - 6,499	80
26	6,500 - 6,999	70
27	7,000 - 7,499	60
28	7,500 - 7,999	50
29	8,000 - 8,499	40
30	8,500 - 8,999	35

1	9,000 - 9,999	25
2	10,000 - 11,999	20
3	12,000 - 12,999	15
4	13,000 - 15,000	10

5 (2) The following apply:

6 (i) The base amount of any claim for property tax
7 rebate for real property taxes due and payable during
8 calendar year 2006 and thereafter shall be determined in
9 accordance with the following schedule:

10	Amount of Real Property Taxes	
11	Household Income	Allowed as Rebate
12	\$ 0 - \$ 8,000	\$650
13	8,001 - 15,000	500
14	15,001 - 18,000	300
15	18,001 - 35,000	250

16 (ii) The supplemental amount for a claimant with a
17 household income equal to or less than \$30,000 and an
18 eligible claim for property tax rebate for real property
19 taxes due and payable during the calendar year preceding
20 the first year in which a payment under section 505(b) of
21 the Taxpayer Relief Act is made and each year thereafter
22 and whose real property taxes exceed 15% of the
23 claimant's household income shall be equal to 50% of the
24 base amount determined under subparagraph (i). A claimant
25 who is a resident of a city of the first class, a city of
26 the second class A or a school district of the first
27 class A shall be ineligible for the supplemental amount
28 under this subparagraph.

29 (3) The amount of any claim for rent rebate in lieu of
30 property taxes for rent due and payable during calendar year

1 2006 and thereafter shall be determined in accordance with
2 the following:

3	Amount of Rent Rebate in
4	Lieu of Property Taxes
5 Household Income	Allowed as Rebate
6 \$ 0 - \$ 8,000	\$650
7 8,001 - 15,000	500

8 (b) Limitations on claims.--

9 (1) No claim through calendar year 2005 shall be allowed
10 if the amount of property tax or rent rebate computed in
11 accordance with this section is less than \$10, and the
12 maximum amount of property tax or rent rebate payable shall
13 not exceed \$500.

14 (2) For calendar year 2006 and thereafter, the maximum
15 amount of property tax or rent rebate in lieu of property
16 taxes payable shall not exceed the lesser of:

17 (i) the amount of a claim under subsection (a) (2) or
18 (3);

19 (ii) the amount of real property taxes actually
20 paid; or

21 (iii) 20% of gross rent actually paid.

22 (3) No claim shall be allowed if the claimant is a
23 tenant of an owner of real property exempt from real property
24 taxes.

25 (c) Apportionment and public assistance.--

26 (1) If any of the following exist relating to a claim:

27 (i) a homestead is owned or rented and occupied for
28 only a portion of a year or is owned or rented in part by
29 a person who does not meet the qualifications for a
30 claimant, exclusive of any interest owned or leased by a

1 claimant's spouse;

2 (ii) the claimant is a widow or widower who
3 remarries; or

4 (iii) the claimant is a formerly disabled person who
5 is no longer disabled,

6 the department shall apportion the real property taxes or
7 rent in accordance with the period or degree of ownership or
8 leasehold or eligibility of the claimant in determining the
9 amount of rebate for which a claimant is eligible.

10 (2) A claimant who receives public assistance from the
11 Department of Human Services shall not be eligible for rent
12 rebate in lieu of property taxes during those months within
13 which the claimant receives public assistance.

14 (d) Government subsidies.--Rent shall not include subsidies
15 provided by or through a governmental agency.

16 Section 1405. Filing of claim.

17 (a) General rule.--Except as otherwise provided in
18 subsection (b), a claim for property tax or rent rebate shall be
19 filed with the department on or before the 30th day of June of
20 the year next succeeding the end of the calendar year in which
21 real property taxes or rent was due and payable.

22 (b) Exception.--A claim filed after the June 30 deadline
23 until December 31 of such calendar year shall be accepted by the
24 secretary as long as funds are available to pay the benefits to
25 the late filing claimant.

26 (c) Payments from State Lottery Fund.--No reimbursement on a
27 claim shall be made from the State Lottery Fund earlier than the
28 day following the 30th day of June provided in this chapter on
29 which that claim may be filed with the department.

30 (d) Eligibility of claimants.--

1 (1) Only one claimant from a homestead each year shall
2 be entitled to the property tax or rent rebate.

3 (2) If two or more persons are able to meet the
4 qualifications for a claimant, they may determine who the
5 claimant shall be.

6 (3) If they are unable to agree, the department shall
7 determine to whom the rebate is to be paid.

8 Section 1406. Proof of claim.

9 (a) Contents.--Each claim shall include:

10 (1) Reasonable proof of household income.

11 (2) The size and nature of the property claimed as a
12 homestead.

13 (3) The rent, tax receipt or other proof that the real
14 property taxes on the homestead have been paid or rent in
15 connection with the occupancy of a homestead has been paid.

16 (4) If the claimant is a widow or widower, a declaration
17 of such status in such manner as prescribed by the secretary.

18 (b) Proof of disability.--

19 (1) Proof that a claimant is eligible to receive
20 disability benefits under the Social Security Act (49 Stat.
21 620, 42 U.S.C. § 301 et seq.) shall constitute proof of
22 disability under this chapter.

23 (2) No person who has been found not to be disabled by
24 the Social Security Administration shall be granted a rebate
25 under this chapter.

26 (3) A claimant not covered under the Social Security Act
27 shall be examined by a physician designated by the department
28 and such status determined using the same standards used by
29 the Social Security Administration.

30 (c) Direct payment of taxes or rent not required.--It shall

1 not be necessary that such taxes or rent were paid directly by
2 the claimant if the rent or taxes have been paid when the claim
3 is filed.

4 (d) Proof of age on first claim.--The first claim filed
5 shall include proof that the claimant or the claimant's spouse
6 was at least 65 years of age, or at least 50 years of age in the
7 case of a widow or widower during the calendar year in which
8 real property taxes or rent were due and payable.

9 Section 1407. Incorrect claim.

10 Whenever on audit of a claim the department finds the claim
11 to have been incorrectly determined, it shall redetermine the
12 correct amount of the claim and notify the claimant of the
13 reason for the redetermination and the amount of the corrected
14 claim.

15 Section 1408. Funds for payment of claims.

16 (a) Payment.--Approved claims shall be paid from the State
17 Lottery Fund established by the act of August 26, 1971 (P.L.351,
18 No.91), known as the State Lottery Law.

19 (b) Transfers.--The Secretary of the Budget shall transfer
20 the following amounts from the Property Tax Relief Fund to the
21 State Lottery:

22 (1) Notwithstanding any other provision of law, an
23 amount equal to \$100,000,000 of the total slot machine
24 license fees paid by successful applicants for a Category 1
25 slot machine license under 4 Pa.C.S. § 1209 (relating to slot
26 machine license fee). The transfer under this paragraph shall
27 occur upon deposit in the Property Tax Relief Fund of moneys
28 derived from the fee from the fourth successful applicant for
29 a Category 1 slot machine license.

30 (2) Notwithstanding any other provision of law, an

1 amount equal to \$100,000,000 of the total slot machine
2 license fees paid by successful applicants for a Category 2
3 slot machine license under 4 Pa.C.S. § 1209. The transfer
4 under this paragraph shall occur upon deposit in the Property
5 Tax Relief Fund of money derived from the fee from the third
6 successful applicant for a Category 2 slot machine license.

7 (3) For fiscal years 2007-2008 and 2008-2009, an amount
8 equal to the sum of approved claims to be paid in each of
9 those fiscal years under sections 704 of the Taxpayer Relief
10 Act and 1404(a)(2)(ii), if any.

11 (4) For fiscal year 2009-2010 and each fiscal year
12 thereafter, all of the following:

13 (i) The difference between the sum of the amount of
14 approved claims to be paid in the next fiscal year under
15 section 1404(a)(2)(i) and (3) and the amount of approved
16 claims paid in fiscal year 2006-2007 under section
17 1404(a)(1).

18 (ii) The sum of the amount of approved claims to be
19 paid in the next fiscal year under sections 704 of the
20 Taxpayer Relief Act and 1404(a)(2)(ii), if any.

21 (5) Beginning in fiscal year 2009-2010 and until the
22 difference between the sum of subparagraphs (i) and (ii) and
23 \$200,000,000 is paid, an amount of not less than \$40,000,000
24 annually or the amount of the difference, whichever is less.
25 All transfers under this paragraph shall be completed no
26 later than four years after the transfer required by
27 paragraph (2).

28 (i) The difference between the sum of the amount of
29 approved claims to be paid in fiscal year 2007-2008 under
30 section 1404(a)(2)(i) and (3) and the amount of approved

1 claims paid in fiscal year 2006-2007 under section
2 1404(a) (1).

3 (ii) The difference between the sum of the amount of
4 approved claims to be paid in fiscal year 2008-2009 under
5 section 1404(a) (2) (i) and (3) and the amount of approved
6 claims paid in fiscal year 2006-2007 under section
7 1404(a) (1).

8 Section 1409. Claim forms and rules and regulations.

9 (a) General rule.--Necessary rules and regulations shall be
10 prescribed by a committee consisting of the Secretary of Aging,
11 the secretary and the Secretary of Community and Economic
12 Development. The Secretary of Aging shall serve as the
13 chairperson of the committee. The department shall receive all
14 applications, determine the eligibility of claimants, hear
15 appeals, disburse payments and make available suitable forms for
16 the filing of claims.

17 (b) Report to General Assembly.--In addition to any rules
18 and regulations prescribed under subsection (a), the department
19 shall collect the following information and issue a report
20 including such information to the chairperson and minority
21 chairperson of the Appropriations Committee of the Senate and
22 the chairperson and minority chairperson of the Appropriations
23 Committee of the House of Representatives by September 30 of
24 each year:

25 (1) The total number of claims which will be paid in the
26 fiscal year in which the report is issued with the
27 information provided by school district, by county and for
28 each household income level under section 1404(a) (2) (i).

29 (2) The total amount of rebates paid in the fiscal year
30 in which the report is issued with the information provided

1 by school district, by county and for each household income
2 level under section 1404(a)(2)(i).

3 Section 1410. Fraudulent claims and conveyances to obtain
4 benefits.

5 (a) Civil penalty.--In any case in which a claim is
6 excessive and was filed with fraudulent intent, the claim shall
7 be disallowed in full, and a penalty of 25% of the amount
8 claimed shall be imposed. The penalty and the amount of the
9 disallowed claim, if the claim has been paid, shall bear
10 interest at the rate of 1.5% per month from the date of the
11 claim until repaid.

12 (b) Criminal penalty.--The claimant and any person who
13 assisted in the preparation or filing of a fraudulent claim
14 commits a misdemeanor of the third degree and, upon conviction
15 thereof, shall be sentenced to pay a fine not exceeding \$1,000
16 or to imprisonment not exceeding one year, or both.

17 (c) Disallowance for receipt of title.--A claim shall be
18 disallowed if the claimant received title to the homestead
19 primarily for the purpose of receiving property tax rebate.
20 Section 1411. Petition for redetermination.

21 (a) Right to file.--A claimant whose claim is either denied,
22 corrected or otherwise adversely affected by the department may
23 file with the department a petition for redetermination on forms
24 supplied by the department within 90 days after the date of
25 mailing of written notice by the department of such action.

26 (b) Contents.--The petition shall set forth the grounds upon
27 which the claimant alleges that such departmental action is
28 erroneous or unlawful, in whole or in part, and shall contain an
29 affidavit or affirmation that the facts contained in the
30 petition are true and correct.

1 (c) Extension of time for filing.--

2 (1) An extension of time for filing the petition may be
3 allowed for cause but may not exceed 120 days.

4 (2) The department shall hold such hearings as may be
5 necessary for the purpose of redetermination, and each
6 claimant who has duly filed such petition for redetermination
7 shall be notified by the department of the time when and the
8 place where such hearing in the claimant's case will be held.

9 (d) Time period for decision.--The department shall, within
10 six months after receiving a filed petition for redetermination,
11 dispose of the matters raised by such petition and shall mail
12 notice of the department's decision to the claimant.

13 Section 1412. Review by board.

14 (a) Right to review.--Within 90 days after the date of
15 official receipt by the claimant of notice mailed by the
16 department of its decision on a petition for redetermination
17 filed with it, the claimant who is adversely affected by the
18 decision may by petition request the board to review such
19 action.

20 (b) Effect of no decision from department.--The failure of
21 the department to officially notify the claimant of a decision
22 within the six-month period provided for by section 1411 shall
23 act as a denial of the petition, and a petition for review may
24 be filed with the board within 120 days after written notice is
25 officially received by the claimant that the department has
26 failed to dispose of the petition within the six-month period.

27 (c) Contents of petition for redetermination.--A petition
28 for redetermination filed shall state the reasons upon which the
29 claimant relies or shall incorporate by reference the petition
30 for redetermination in which such reasons were stated. The

1 petition shall be supported by affidavit that the facts set
2 forth therein are correct and true.

3 (d) Time period for decision.--The board shall act in
4 disposition of petitions filed with it within six months after
5 they have been received, and, in the event of failure of the
6 board to dispose of any petition within six months, the action
7 taken by the department upon the petition for redetermination
8 shall be deemed sustained.

9 (e) Relief authorized by board.--The board may sustain the
10 action taken by the department on the petition for
11 redetermination or it may take such other action as it shall
12 deem necessary and consistent with provisions of this chapter.

13 (f) Form of notice.--Notice of the action of the board shall
14 be given by mail to the department and to the claimant.

15 Section 1413. Appeal.

16 A claimant aggrieved by a decision of the board may appeal
17 from the decision of the board in the manner provided by law for
18 appeals from decisions of the board in tax cases.

19 CHAPTER 15

20 MISCELLANEOUS PROVISIONS

21 Section 1501. Transitional provision.

22 (a) Sales and use tax.--Notwithstanding the repeal specified
23 under section 1505(b)(6), the department shall have the
24 authority to enforce the collection of taxes imposed for
25 transactions that occur prior to the effective date of this
26 section under former Article II of the Tax Reform Code of 1971.
27 The taxes collected on or after January 1, 2020, regardless of
28 the transaction date, shall be deposited as provided in section
29 782.

30 (b) Other taxes.--Notwithstanding the repeal specified under

1 section 1505(b) (2), a governing body shall have the authority to
2 enforce, after the effective date of the repeal, the collection
3 of taxes levied and assessed under the former provision prior to
4 the effective date of section 1505(b) (2).

5 Section 1502. Regulations.

6 The department shall have jurisdiction over and shall
7 promulgate regulations as necessary for the proper
8 administration of this act.

9 Section 1503. Construction.

10 Any and all references in any other act to Article II or any
11 provision in Article II of the Tax Reform Code of 1971 shall be
12 deemed a reference to Chapter 7 of this act or the corresponding
13 provisions in Chapter 7 of this act.

14 Section 1504. Severability.

15 The provisions of this act are severable as follows:

16 (1) If any provision of this act is held invalid, the
17 invalidity shall not affect other provisions or applications
18 of this act which can be given effect without the invalid
19 provision or application.

20 (2) Under no circumstances shall the invalidity of any
21 provision or application of this act affect the validity of
22 any provision in this act that abolishes the power of the
23 governing body and any school district and city of the first
24 class or any other political subdivision to levy, assess or
25 collect a tax on any interest in real property for school
26 purposes.

27 Section 1505. Repeals.

28 (a) Intent.--The General Assembly declares that the repeals
29 under subsection (b) are necessary to effectuate this act.

30 (b) Provisions.--The following acts and parts of acts are

1 repealed to the extent specified:

2 (1) Section 631 of the act of March 10, 1949 (P.L.30,
3 No.14), known as the Public School Code of 1949, is repealed.

4 (2) Any provision of the Public School Code of 1949 and
5 of any other law relating to the authority of any school
6 district to levy, assess and collect any tax on real property
7 and the power of any city of the first class to levy, assess
8 and collect any tax or real property for school purposes is
9 repealed upon the expiration of the respective schedule
10 prescribed in this act.

11 (3) Any provision of the Public School Code of 1949 and
12 any other law relating to debt is repealed to the extent that
13 it is inconsistent with this act.

14 (4) Any provision of the Public School Code of 1949 and
15 any home rule charter adopted pursuant thereto is repealed
16 insofar as it is inconsistent with this act.

17 (5) Any provision of the act of August 9, 1963 (P.L.643,
18 No.341), known as the First Class City Public Education Home
19 Rule Act, and any home rule school district charter adopted
20 pursuant thereto is repealed insofar as it is inconsistent
21 with this act.

22 (6) Article II of the act of March 4, 1971 (P.L.6,
23 No.2), known as the Tax Reform Code of 1971, is repealed.

24 (7) Subchapters C and D of Chapter 3 and Chapter 13 of
25 the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1),
26 known as the Taxpayer Relief Act, are repealed.

27 (8) All acts and parts of acts that are inconsistent
28 with this act are repealed to the extent of such
29 inconsistency.

30 Section 1506. Applicability.

1 Chapter 7 and section 1505(b)(6) shall apply January 1, 2020.

2 Section 1507. Effective date.

3 This act shall take effect as follows:

4 (1) Chapter 3 and section 1505(b)(2) shall take effect
5 June 30, 2020.

6 (2) Chapter 4 shall take effect January 1, 2020.

7 (3) The remainder of this act shall take effect
8 immediately.