

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 481 Session of 2019

INTRODUCED BY GROVE, RYAN, MILLARD, PYLE, SAYLOR AND JONES,
FEBRUARY 12, 2019

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 12, 2019

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania
2 Consolidated Statutes, in other subjects of taxation,
3 repealing provisions regarding local option cigarette tax in
4 school districts of the first class.

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

7 Section 1. Section 8722 of Title 53 of the Pennsylvania
8 Consolidated Statutes is repealed:

9 [§ 8722. Local option cigarette tax in school districts of the
10 first class.

11 (a) Authorization.--The following shall apply:

12 (1) A school district may, if authorized by ordinance of
13 the governing body of a city of the first class adopted prior
14 to or after the effective date of this section, impose and
15 assess an excise tax upon the sale or possession of
16 cigarettes within the school district at a rate of 10¢ per
17 cigarette. Only one sale shall be taxable and used in
18 computing the amount of tax due, whether the sale is of
19 individual cigarettes, packages, cartons or cases.

1 (2) The governing body of the city of the first class
2 and school district may amend, respectively, the ordinance
3 authorizing the imposition of the tax and the resolution
4 imposing the tax authorized by this section to reflect the
5 provisions of this section in the fiscal year in which this
6 section takes effect.

7 (b) Exception.--The tax authorized under subsection (a) may
8 not be levied upon the possession or sale of any cigarette that
9 is exempt from, or which is otherwise not subject to, levy under
10 Article XII of the Tax Reform Code and the regulations
11 promulgated under that article.

12 (c) Collection.--

13 (1) The tax authorized under subsection (a) shall be
14 collected and remitted to the department in the same manner
15 as the tax imposed under Article XII of the Tax Reform Code.
16 The regulations promulgated under section 1291 of the Tax
17 Reform Code shall be applicable to the tax authorized under
18 subsection (a) insofar as the regulations are consistent with
19 this section.

20 (2) Unless the department promulgates regulations to the
21 contrary under subsection (d), any stamp affixed under
22 section 1215 of the Tax Reform Code shall also reflect
23 payment of any tax authorized under this section.

24 (3) The provisions of section 1216 of the Tax Reform
25 Code shall not apply to any tax authorized under this
26 section.

27 (d) Administration.--The department shall administer and
28 enforce the provisions of this section and may promulgate and
29 enforce any rules and regulations not inconsistent with the
30 provisions of this section.

1 (e) Reimbursement of costs.--From the tax collected under
2 this section, the department may retain a sum of the costs of
3 collection and shall, on a monthly basis, notify in writing the
4 school district imposing the tax of the sum retained and the
5 costs of collection under this section. Annually, the department
6 shall estimate its cost of collection under this section for the
7 next succeeding fiscal year and shall provide the estimate to
8 the school district.

9 (f) Certified copy of resolution to department.--A school
10 district that adopts a resolution:

11 (1) To impose the tax authorized under this section or
12 to change the rate of the tax shall provide a certified copy
13 of the resolution to the department not later than 20 days
14 prior to the effective date of the tax or change to the tax.

15 (2) To repeal the tax authorized under this section
16 shall provide a certified copy of the resolution to the
17 department not later than 30 days prior to the effective date
18 of the repeal.

19 (g) Effective date.--The effective date of any tax
20 authorized under this section or change to the tax shall be no
21 earlier than 30 days after the adoption of the resolution or
22 ordinance.

23 (h) Local Cigarette Tax Fund.--

24 (1) The Local Cigarette Tax Fund is established in the
25 State Treasury and the State Treasurer shall be custodian of
26 the fund. The fund shall be subject to the provisions of law
27 applicable to funds listed in section 302 of the act of April
28 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

29 (2) The tax imposed under subsection (a) shall be
30 received by the department and paid to the State Treasurer

1 and, along with interest and penalties, less any collection
2 costs allowed under this section and any refunds and credits
3 paid, shall be credited to the fund not less frequently than
4 every two weeks. During any period prior to the credit of
5 moneys to the fund, interest earned on moneys received by the
6 department and paid to the State Treasurer under this section
7 shall be deposited into the fund.

8 (3) Moneys credited to the fund shall be property of the
9 school district and shall be distributed as provided in this
10 section. The money in the fund, including, but not limited
11 to, money credited to the fund under this section, prior year
12 encumbrances and the interest earned thereon, shall not lapse
13 or be transferred to any other fund, but shall remain in the
14 fund and must be used exclusively as provided in this
15 section.

16 (4) Pending their disbursement to the school district,
17 moneys received on behalf of or deposited into the fund shall
18 be invested or reinvested as are other funds in the custody
19 of the State Treasurer in the manner provided by law. The
20 earnings received from the investment or deposit of the funds
21 shall be credited to the fund.

22 (i) Disbursement to school district.--On or before the 10th
23 day of every month, the State Treasurer shall disburse to the
24 school district imposing the tax under this section the total
25 amount of moneys which are, as of the last day of the previous
26 month, contained in the fund.

27 (j) Prohibition.--Money from a tax imposed under this
28 section may not be used for the issuance or repayment of bonds.

29 (l) 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 "Cigarette." As defined in section 1201 of the Tax Reform
3 Code.

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

5 "Fund." The Local Cigarette Tax Fund established under this
6 section.

7 "Sale." As defined in section 1201 of the Tax Reform Code.

8 "School district." A school district of the first class
9 coterminous with a city of the first class.

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

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