

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 779 Session of 2019

INTRODUCED BY HICKERNELL, MURT, SCHMITT, SOLOMON, FEE, JAMES, STAATS, ZIMMERMAN, RYAN, MENTZER, CIRESI, TOOHIL AND GILLEN, MARCH 11, 2019

REFERRED TO COMMITTEE ON FINANCE, MARCH 11, 2019

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
 2 act relating to tax reform and State taxation by codifying
 3 and enumerating certain subjects of taxation and imposing
 4 taxes thereon; providing procedures for the payment,
 5 collection, administration and enforcement thereof; providing
 6 for tax credits in certain cases; conferring powers and
 7 imposing duties upon the Department of Revenue, certain
 8 employers, fiduciaries, individuals, persons, corporations
 9 and other entities; prescribing crimes, offenses and
 10 penalties," in sales and use tax, further providing for
 11 exclusions from tax.

12 The General Assembly of the Commonwealth of Pennsylvania
 13 hereby enacts as follows:

14 Section 1. Section 204(49) of the act of March 4, 1971
 15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
 16 to read:

17 Section 204. Exclusions from Tax.--The tax imposed by
 18 section 202 shall not be imposed upon any of the following:

19 * * *

20 (49) The sale at retail or use of food and beverages by
 21 nonprofit associations which support sports programs or youth
 22 centers. For purposes of this clause, the phrases:

1 (i) "nonprofit association" means an entity which is
2 organized as a nonprofit corporation or nonprofit unincorporated
3 association under the laws of this Commonwealth or the United
4 States or any entity which is authorized to do business in this
5 Commonwealth as a nonprofit corporation or unincorporated
6 association under the laws of this Commonwealth, including, but
7 not limited to, youth or athletic associations, volunteer fire,
8 ambulance, religious, charitable, fraternal, veterans, civic, or
9 any separately chartered auxiliary of the foregoing, if
10 organized and operated on a nonprofit basis;

11 (iv) "sports program" means baseball (including softball),
12 football, basketball, soccer and any other competitive sport
13 formally recognized as a sport by the United States Olympic
14 Committee as specified by and under the jurisdiction of the
15 Amateur Sports Act of 1978 (Public Law 95-606, 36 U.S.C. § 371
16 et seq.), the Amateur Athletic Union or the National Collegiate
17 Athletic Association. The term shall be limited to a program or
18 that portion of a program that is organized for recreational
19 purposes and whose activities are substantially for such
20 purposes and which is primarily for participants who are 18
21 years of age or younger or whose 19th birthday occurs during the
22 year of participation or the competitive season, whichever is
23 longer. There shall, however, be no age limitation for programs
24 operated for persons with physical handicaps or persons with
25 mental retardation;

26 (v) "support" means:

27 (A) the funds raised from sales are used to pay the expenses
28 of a sports program or a youth center; or

29 (B) the nonprofit association sells the food and beverages
30 at a youth center or a location where a sports program is being

1 conducted under this act[.];

2 (vi) "youth center" means a fixed location used primarily
3 for programs for individuals who are 19 years of age or younger
4 as long as the programs are:

5 (A) conducted primarily by volunteers;

6 (B) designed to advance recreational, civic or moral
7 objectives; and

8 (C) conducted by an organization that is qualified under
9 section 501(c)(3) of the Internal Revenue Code of 1986 (Public
10 Law 99-514, 26 U.S.C. § 501(c)(3)) and that has obtained an
11 exemption number from the department as a charitable
12 organization under clause (10).

13 * * *

14 Section 2. The amendment of section 204(49) of the act shall
15 apply to sales at retail or uses after December 31, 2019.

16 Section 3. This act shall take effect immediately.