

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 305 Session of 2021

INTRODUCED BY DIAMOND, ROWE AND ZIMMERMAN, JANUARY 27, 2021

REFERRED TO COMMITTEE ON FINANCE, JANUARY 27, 2021

AN ACT

1 Amending the act of June 5, 1991 (P.L.9, No.6), entitled "An act
 2 providing for the financial stability of cities of the first
 3 class; establishing an authority empowered to assist cities
 4 of the first class in their financial affairs and to issue
 5 findings and recommendations to cities of the first class and
 6 to the General Assembly; creating the authority and providing
 7 for its powers and duties; authorizing each city of the first
 8 class and the authority to enter into intergovernmental
 9 cooperation agreements and specifying certain terms of such
 10 agreements and ordinances whereby cities of the first class
 11 enter into such agreements; empowering the authority to incur
 12 indebtedness, receive revenues, acquire the obligations of
 13 assisted cities, make loans and offer other financial
 14 assistance to such cities subject to conditions; establishing
 15 procedures for the preparation and review of financial plans
 16 of cities of the first class while bonds of the authority are
 17 outstanding and providing remedies for failure to adhere to
 18 such plans; requiring certain contracts to be consistent with
 19 the financial plan; making certain provisions with respect to
 20 short-term borrowing by cities of the first class;
 21 establishing procedures for handling authority funds, and
 22 providing for certain payments to the authority; providing
 23 security for bonds and notes issued by the authority;
 24 authorizing the creation of a debt service reserve fund and
 25 providing for its maintenance; granting to the holders of the
 26 authority's indebtedness and to the authority certain
 27 remedies in the event of default by the authority or by an
 28 assisted city on authorized obligations; authorizing cities
 29 of the first class to receive financial assistance from the
 30 authority under certain terms and conditions; establishing
 31 the method for the appointment and composition of the
 32 authority board; prohibiting the authority and assisted
 33 cities from filing a petition under Federal bankruptcy
 34 statutes; authorizing an appropriation for authority
 35 operating expenses; authorizing cities of the first class to

1 impose an optional sales and use tax; authorizing cities of
2 the first class to impose certain taxes for the authority;
3 authorizing emergency payment deferral; and providing
4 jurisdiction for challenges to this act," in optional sales
5 and use tax, further providing for imposition of additional
6 tax.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 503(d) and (e) of the act of June 5, 1991
10 (P.L.9, No.6), known as the Pennsylvania Intergovernmental
11 Cooperation Authority Act for Cities of the First Class, are
12 amended to read:

13 Section 503. Imposition of additional tax.

14 * * *

15 (d) Rate and uniformity.--

16 (1) The tax authorized by subsections [(a), (b) and (c)]
17 (a) and (b) may be imposed at a rate of [either 0.5% or 1%.]
18 0.32%. The tax authorized by subsection (c) may be imposed at
19 the rate of 1%.

20 (2) The tax imposed by subsections [(a), (b) and (c)]
21 (a) and (b) shall be uniform.

22 (e) Tax computation.--The tax imposed under subsections (a),
23 (b) and (c) shall be computed [as follows:

24 (1) In cities imposing the tax authorized by this
25 section at the rate of 0.5%, the tax shall be computed as
26 follows:

27 (i) If the purchase price is \$1 or less, no tax
28 shall be collected.

29 (ii) If the purchase price is \$1.01 or more but less
30 than \$3.01, 1¢ shall be collected.

31 (iii) If the purchase price is \$3.01 or more but
32 less than \$5.01, 2¢ shall be collected.

33 (iv) If the purchase price is \$5.01 or more but less

1 than \$7.01, 3¢ shall be collected.

2 (v) If the purchase price is \$7.01 or more but less
3 than \$9.01, 4¢ shall be collected.

4 (vi) If the purchase price is \$9.01 or more but less
5 than \$10.01, 5¢ shall be collected.

6 (vii) If the purchase price is more than \$10, 0.5%
7 of each \$10 of purchase price plus the above bracket
8 charges upon any fractional part of a \$10 increment shall
9 be collected.

10 (2) In cities imposing the tax authorized by this
11 section at the rate of 1%, the tax shall be computed as
12 follows:

13 (i) If the purchase price is 50¢ or less, no tax
14 shall be collected.

15 (ii) If the purchase price is 51¢ or more but less
16 than \$1.51, 1¢ shall be collected.

17 (iii) If the purchase price is \$1.51 or more but
18 less than \$2.51, 2¢ shall be collected.

19 (iv) If the purchase price is \$2.51 or more but less
20 than \$3.51, 3¢ shall be collected.

21 (v) If the purchase price is \$3.51 or more but less
22 than \$4.51, 4¢ shall be collected.

23 (vi) If the purchase price is \$4.51 or more but less
24 than \$5.51, 5¢ shall be collected.

25 (vii) If the purchase price is \$5.51 or more but
26 less than \$6.51, 6¢ shall be collected.

27 (viii) If the purchase price is \$6.51 or more but
28 less than \$7.51, 7¢ shall be collected.

29 (ix) If the purchase price is \$7.51 or more but less
30 than \$8.51, 8¢ shall be collected.

1 (x) If the purchase price is \$8.51 or more but less
2 than \$9.51, 9¢ shall be collected.

3 (xi) If the purchase price is \$9.51 or more but less
4 than \$10.01, 10¢ shall be collected.

5 (xii) If the purchase price is more than \$10, 1% of
6 each \$10 purchase price plus the above bracket charges
7 upon any fractional part of a \$10 increment shall be
8 collected.] by the department. The department shall
9 transmit the computation to the Legislative Reference
10 Bureau for publication in the Pennsylvania Bulletin.

11 Section 2. The Secretary of the Commonwealth shall submit to
12 the Legislative Reference Bureau a notice for publication in the
13 Pennsylvania Bulletin if the General Assembly has enacted all of
14 the following:

15 (1) An act that reduces the rate of tax imposed under
16 section 3152-B of the act of July 28, 1953 (P.L.723, No.230),
17 known as the Second Class County Code, in a manner that would
18 result in the revenue generated by the tax imposed under
19 section 3152-B of the Second Class County Code, being revenue
20 neutral, subject to the repeal of exclusions described under
21 paragraph (2), in comparison to the amount generated in the
22 prior fiscal year.

23 (2) An act that repeals the exclusions from the tax
24 imposed under Article II of the act of March 4, 1971 (P.L.6,
25 No.2), known as the Tax Reform Code of 1971.

26 (3) An act that reduces the amount deposited into the
27 Public Transportation Trust Fund under 74 Pa.C.S. § 1506(c)
28 (1).

29 Section 3. This act shall take effect as follows:

30 (1) Section 2 of this act and this section shall take

1 effect immediately.

2 (2) The remainder of this act shall take effect upon
3 publication of the notice under section 2 of this act.