

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1307 Session of
2023

INTRODUCED BY HOHENSTEIN, KHAN, SANCHEZ, WAXMAN AND SOLOMON,
JUNE 12, 2023

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 12, 2023

AN ACT

1 Amending Titles 53 (Municipalities Generally) and 75 (Vehicles)
2 of the Pennsylvania Consolidated Statutes, in taxation for
3 public transportation, further providing for local financial
4 support; and, in fees, further providing for fee for local
5 use.

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

8 Section 1. Section 8602 of Title 53 of the Pennsylvania
9 Consolidated Statutes is amended to read:

10 § 8602. Local financial support.

11 (a) Imposition.--Notwithstanding any other provision of law,
12 a county [of the second class] may, at the county's discretion,
13 by ordinance or resolution, obtain financial support for transit
14 and transportation systems and transportation infrastructure by
15 imposing one or more of the taxes under subsection (b). Money
16 obtained from the imposition shall be deposited into a
17 restricted account of the county.

18 (b) Taxes.--

19 (1) A county [of the second class] may, by ordinance,

1 impose any of the following taxes:

2 (i) A tax on the sale at retail of liquor and malt
3 and brewed beverages within the county. The ordinance
4 shall be modeled on the act of June 10, 1971 (P.L.153,
5 No.7), known as the First Class School District Liquor
6 Sales Tax Act of 1971, and the rate of tax authorized
7 under this subparagraph may not exceed the rate
8 established under that act.

9 (ii) An excise tax on each renting of a rental
10 vehicle in the county. The rate of tax authorized under
11 this subparagraph may not exceed the rate established
12 under section 2301(e) of the act of March 4, 1971 (P.L.6,
13 No.2), known as the Tax Reform Code of 1971. As used in
14 this subparagraph, the term "rental vehicle" has the
15 meaning given to it in section 1601-A of the Tax Reform
16 Code of 1971.

17 (iii) A tax upon a transfer of real property or an
18 interest in real property within the limits of the
19 county, regardless of where the instruments making the
20 transfers are made, executed or delivered or where the
21 actual settlements on the transfer take place, to the
22 extent that the transactions are subject to the tax
23 imposed by Article XI-C of the Tax Reform Code of 1971. A
24 tax imposed under this subparagraph shall not exceed 0.5%
25 of rate limitations provided by sections 307, 311 and 320
26 of the act of December 31, 1965 (P.L.1257, No.511), known
27 as The Local Tax Enabling Act.

28 (iv) In addition to the tax imposed under Article
29 III of the Tax Reform Code of 1971, a surtax not to
30 exceed 0.2% of the tax imposed on the taxable income of

1 resident and nonresident individuals as provided for
2 under Article III of the Tax Reform Code of 1971.

3 (v) In addition to the tax imposed under Article II
4 of the Tax Reform Code of 1971, a surtax equal to 0.25%
5 imposed on the purchase price of tangible personal
6 property and services subject to taxation under Article
7 II of the Tax Reform Code of 1971.

8 (vi) An annual personal property tax on motor
9 vehicles, to be paid upon initial registration and
10 renewal, not to exceed 0.5% on the fair market value of
11 passenger vehicles, trucks with a registered weight of
12 11,000 pounds and under, motorcycles and recreational
13 motor home vehicles registered within the county.

14 (vii) A local services tax in accordance with
15 Chapter 3 of The Local Tax Enabling Act, at a rate not to
16 exceed \$3 per week, or \$156 per year. A county levying
17 the local services tax shall, by ordinance, exempt any
18 person from the local services tax whose total earned
19 income and net profits from all sources within the county
20 are less than 200% of the Federal poverty guidelines, as
21 published in the Federal Register for the calendar year
22 in which the local services tax is levied.

23 (2) (Reserved).

24 (b.1) Computation of sales and use tax.--Within 30 days of
25 the notification of a county of the adoption of a tax under
26 subsection (b) (1) (v), the department shall establish a combined
27 schedule for the computation of the State sales and use tax and
28 the State sales and use surtax as established under subsection
29 (b) (1) (v). The following apply:

30 (1) The department shall collect the surtax and remit

1 the surtax proceeds quarterly to the appropriate taxing
2 authority.

3 (2) The department shall transmit the schedule providing
4 for the combined computation of the State sales and use tax
5 and the State sales and use surtax to the Legislative
6 Reference Bureau for publication in the next available issue
7 of the Pennsylvania Bulletin.

8 (b.2) Computation of personal property tax on motor
9 vehicles.--For purposes of subsection (b)(1)(vi), the fair
10 market value of a vehicle shall be calculated in a manner
11 prescribed by the Department of Transportation. A notice of the
12 calculation shall be transmitted to the Legislative Reference
13 Bureau for publication in the next available issue of the
14 Pennsylvania Bulletin.

15 (b.3) Administration.--

16 (1) The taxes authorized under subsection (b)(1)(iii)
17 and (iv) shall be administered, collected and enforced under
18 The Local Tax Enabling Act.

19 (2) The tax authorized under subsection (b)(1)(v) shall
20 be administered, collected and enforced under the Tax Reform
21 Code of 1971.

22 (3) In administering this subsection, the department may
23 promulgate and enforce regulations not inconsistent with the
24 provisions of this section.

25 (4) To cover the costs of administration, the department
26 may retain a sum equal to the costs of administration.

27 (b.4) Construction.--Except as otherwise inconsistent with
28 this section, the provisions of Articles II, III and XI-C of the
29 Tax Reform Code of 1971 shall apply to the taxes imposed under
30 subsection (b).

1 (b.5) Grants by counties.--

2 (1) A county may make annual grants from current
3 revenues or from revenue derived from taxes levied by the
4 county under this section to local transportation
5 organizations to assist in defraying the costs of operations,
6 maintenance and debt service of a local transportation
7 organization or of a particular mass transportation project
8 of a local transportation organization and to enter into
9 long-term agreements providing for the payment of the costs.

10 (2) The obligation of a county under an agreement under
11 paragraph (1) shall not be considered to be a part of the
12 county's indebtedness, nor shall the obligation be deemed to
13 impair the status of any indebtedness of the county which
14 would otherwise be considered as self-sustaining.

15 (3) Nothing in this subsection shall be construed to
16 preclude two or more counties from entering into an agreement
17 to jointly make grants from current revenues or from revenue
18 derived from taxes levied by a county under this section to a
19 local transportation organization or to a particular mass
20 transportation project of a local transportation organization
21 or to jointly enter into long-term agreements for providing
22 these types of payments.

23 (4) A county may make use of the money from current
24 revenues or from revenue derived from taxes levied by the
25 county under this section for Commonwealth, county or
26 municipal transportation infrastructure purposes described
27 under 75 Pa.C.S. § 9010(b)(2)(i) (relating to disposition and
28 use of tax). These funds may supplement or match funds
29 provided by the Motor License Fund, the Multimodal
30 Transportation Fund or the Liquid Fuels Tax Fund.

1 (b.6) Regulations.--The department may promulgate
2 regulations, including temporary regulations, as may be
3 necessary and appropriate to administer the provisions of this
4 section. The following apply:

5 (1) The department shall transmit any temporary
6 regulations to the Legislative Reference Bureau for
7 publication in the next available issue of the Pennsylvania
8 Bulletin.

9 (2) Notwithstanding any other provision of law,
10 regulations promulgated by the department during the two
11 years following the effective date of this paragraph shall be
12 deemed temporary regulations that expire no later than three
13 years following the effective date of this paragraph or upon
14 promulgation of final regulations, whichever occurs first.

15 (3) Temporary regulations under this subsection shall be
16 exempt from the following:

17 (i) Sections 201, 202, 203, 204 and 205 of the act
18 of July 31, 1968 (P.L.769, No.240), referred to as the
19 Commonwealth Documents Law.

20 (ii) The act of June 25, 1982 (P.L.633, No.181),
21 known as the Regulatory Review Act.

22 (c) [Definition.--For purposes of this section, the term
23 "county of the second class" shall not include a county of the
24 second class A.] Definitions.--As used in this section, the
25 following words and phrases shall have the meanings given to
26 them in this subsection unless the context clearly indicates
27 otherwise:

28 "County." Any of the following:

29 (1) A county of the first class.

30 (2) A county of the second class.

1 (3) A county of the second class A.

2 (4) A county of the third class with a population of at
3 least 525,000 but less than 540,000, based on the 2020
4 Federal decennial census.

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

6 Section 2. Section 1935 of Title 75 is amended by adding a
7 subsection to read:

8 § 1935. Fee for local use.

9 * * *

10 (b.1) Urban and suburban counties.--Beginning after December
11 31, 2023, a county of the first class, a county of the second
12 class, a county of the second class A or a county of the third
13 class with a population above 525,000 and less than 540,000
14 based on the 2020 Federal decennial census may, in its
15 discretion, by ordinance, impose a fee of \$5 in addition to the
16 fee in subsection (b) for each nonexempt vehicle registered to
17 an address located in the county. A county of the first class, a
18 county of the second class, a county of the second class A or a
19 county of the third class with a population above 525,000 and
20 less than 540,000 based on the 2020 Federal decennial census
21 shall notify the department of the passage of the ordinance 90
22 days prior to the effective date of the ordinance.

23 * * *

24 Section 3. Nothing in this act shall be applied, interpreted
25 or constructed as modifying State operating or capital funding
26 formula allocations, or corresponding local match requirements,
27 for local transportation organizations currently provided for
28 under 74 Pa.C.S. Pt. II.

29 Section 4. This act shall take effect in 120 days.