

LEGISLATIVE REFERENCE BUREAU

COPY

AMENDMENTS TO SENATE BILL NO. 76

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1 Amend Bill, page 3, line 11, by striking out "Local receivers
2 of use tax" and inserting

3 (Reserved)

4 Amend Bill, page 3, lines 18 and 19, by striking out all of
5 said lines and inserting

6 Section 733. Assessment to recover erroneous refunds.

7 Section 734. (Reserved).

8 Amend Bill, page 3, lines 27 and 28, by striking out all of
9 said lines and inserting

10 Section 741. (Reserved).

11 Amend Bill, page 4, line 30, by striking out "Interest" and
12 inserting

13 (Reserved)

14 Amend Bill, page 5, line 29, by striking out "Expiration of
15 authority to issue debt" and inserting

16 (Reserved)

17 Amend Bill, page 6, by inserting between lines 8 and 9
18 Section 1502. Regulations.

19 Amend Bill, page 6, line 9, by striking out "1502" and
20 inserting

21 1503

22 Amend Bill, page 6, line 10, by striking out "1503" and
23 inserting

24 1504

1 Amend Bill, page 6, line 11, by striking out "1504" and
2 inserting
3 1505

4 Amend Bill, page 6, line 12, by striking out "1505" and
5 inserting
6 1506

7 Amend Bill, page 6, line 13, by striking out "1506" and
8 inserting
9 1507

10 Amend Bill, page 14, line 29, by inserting after "impose "
11 and administer

12 Amend Bill, page 14, line 29, by striking out "(c)" and
13 inserting
14 (b)

15 Amend Bill, page 14, line 30, by inserting after "under "
16 Article III of

17 Amend Bill, page 15, line 15, by striking out all of said
18 line and inserting

19 (c) Deposit in Education Stabilization Fund.--
20 (1) All moneys

21 Amend Bill, page 15, by inserting between lines 17 and 18
22 (2) So much of the proceeds of the tax imposed by this
23 chapter as shall be necessary for the payment of refunds,
24 enforcement or administration under this chapter is hereby
25 appropriated to the department for such purposes.

26 Amend Bill, page 17, by inserting between lines 12 and 13
27 (1.1) Providing taxable services.

28 Amend Bill, page 19, lines 6 through 27, by striking out all
29 of said lines

30 Amend Bill, page 21, lines 27 through 30; page 22, lines 1
31 and 2, by striking out "The term does not" in line 27, all of
32 lines 28 through 30 on page 21, all of line 1 and "meats,

1 poultry or bakery products." in line 2 on page 22

2 Amend Bill, page 22, by inserting between lines 13 and 14

3 (8) Remanufacture by a remanufacturer of locomotive
4 parts from used parts acquired in bulk by the remanufacturer
5 using an assembly line process which involves the complete
6 disassembly of such parts and integration of the components
7 of such parts with other used or new components of parts,
8 including the salvaging, recycling or reclaiming of used
9 parts by the remanufacturer.

10 The term does not include constructing, altering, servicing,
11 repairing or improving real estate or repairing, servicing or
12 installing tangible personal property, nor the producing of a
13 commercial motion picture, nor the cooking, freezing or baking
14 of fruits, vegetables, mushrooms, fish, seafood, meats, poultry
15 or bakery products.

16 Amend Bill, page 24, by inserting between lines 27 and 28

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

19 Amend Bill, page 29, by inserting between lines 26 and 27

20 (9) Amounts representing on-the-spot cash discounts,
21 employee discounts, volume discounts, store discounts such as
22 "buy one, get one free," wholesaler's or trade discounts,
23 rebates and store or manufacturer's coupons shall establish a
24 new purchase price if both the item and the coupon are
25 described on the invoice or cash register tape. An amount
26 representing a discount allowed for prompt payment of bills
27 which is dependent upon an event occurring after the
28 completion of the sale may not be deducted in computing the
29 tax. A sale is completed when there is a transfer of
30 ownership of the property or services to the purchaser.

31 Amend Bill, page 31, by inserting between lines 15 and 16

32 (6) The sale at retail or use of services performed for
33 resale in the ordinary course of business of the purchaser or
34 user of such services.

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

38 Amend Bill, page 35, line 12, by striking out all of said
39 line and inserting

40 service.

41 The exclusions provided in paragraphs (A), (B),

42 Amend Bill, page 37, line 2, by inserting after "service"

1 enumerated in clause (dd)

2 Amend Bill, page 37, lines 5 through 20, by striking out "The
3 following provisions shall apply:" in line 5 and all of lines 6
4 through 20

5 Amend Bill, page 37, line 30, by striking out "premium" where
6 it occurs the first time

7 Amend Bill, page 37, line 30, by striking out "premium" where
8 it occurs the second time

9 Amend Bill, page 39, line 21, by inserting after "activity"
10 , therewith, except such services are obtained in the
11 construction, reconstruction, remodeling, repair or
12 maintenance of real estate

13 Amend Bill, page 43, lines 20 and 21, by striking out ", not
14 otherwise set forth in this definition," and inserting
15 enumerated in clause (dd)

16 Amend Bill, page 43, lines 23 through 30; page 44, lines 1
17 through 9, by striking out "The" in line 23, all of lines 24
18 through 30 on page 43 and all of lines 1 through 9 on page 44

19 Amend Bill, page 44, line 16, by striking out "(Reserved)."
20 and inserting

21 "NAICS." The 2012 North American Industry Classification
22 System developed by the Federal Office of Management and Budget
23 and published at 76 Fed. Reg. 159 (Aug. 17, 2011) or its
24 successor revision.

25 Amend Bill, page 48, line 14, by striking out "(Reserved)."
26 and inserting

27 "NAICS taxable services." Any service performed in this
28 Commonwealth as defined in the following subsectors and
29 industries of the revised 2012 NAICS developed by the Federal
30 Office of Management and Budget and published at 76 Fed. Reg.
31 159 (Aug. 17, 2011) or its successor revision:

32 481, for intrastate transport of persons
33 482, for intrastate transport of persons
34 483, for intrastate transport of persons
35 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
27 7112, unless imposed by industry 611110
28 7113
29 7114
30 712
31 7131
32 7139
33 7212
34 7224
35 8121
36 8122
37 8123
38 8129

39 Amend Bill, page 55, lines 3 through 20, by striking out
40 "Call center." The physical location in this" in line 3, all
41 of lines 4 through 19 and "Commonwealth" in line 20 and
42 inserting

43 (Reserved)

44 Amend Bill, page 56, line 9, by inserting after "value"
45 , but only if such value is more than three times the value
46 of the next most valuable component material,

1 Amend Bill, page 56, lines 12 through 30; page 57, lines 1
2 through 11, by striking out ", including, but not limited to:"
3 in line 12, all of lines 13 through 30 on page 56 and all of
4 lines 1 through 11 on page 57 and inserting a period

5 Amend Bill, page 58, line 2, by striking out "(Reserved)."
6 and inserting

7 General sourcing rules.--

8 (1) All sales of products shall be sourced according to
9 this subsection by sellers obligated to collect sales and use
10 tax under this chapter. The sourcing rules described in this
11 subsection apply to sales of tangible personal property,
12 digital goods and all services other than telecommunications
13 services. This subsection only applies to determine a
14 seller's obligation to pay or collect and remit a sales or
15 use tax with respect to the seller's sale of a product. This
16 subsection does not affect the obligation of a purchaser or
17 lessee to remit tax on the use of the product to the taxing
18 jurisdictions in which the use occurs. A seller's obligation
19 to collect sales tax or use tax under this chapter only
20 occurs if the sale is sourced to this State. Whether sales
21 tax to a sale source to the Commonwealth shall be determined
22 based on the location at which the sale is consummated by
23 delivery or, in the case of a service, where the first use of
24 the service occurs.

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

27 (i) When the product is received by the purchaser at
28 a business location of the seller, the sale is sourced to
29 that business location.

30 (ii) When the product is not received by the
31 purchaser at a business location of the seller, the sale
32 is sourced to the location where receipt by the purchaser
33 or the purchaser's donee, designated such by the
34 purchaser, occurs, including the location indicated by
35 instructions for delivery to the purchaser or donee,
36 known to the seller.

37 (iii) When subparagraphs (i) and (ii) do not apply,
38 the sale is sourced to the location indicated by an
39 address for the purchaser that is available from the
40 business records of the seller that are maintained in the
41 ordinary course of the seller's business when use of this
42 address does not constitute bad faith.

43 (iv) When subparagraphs (i), (ii) and (iii) do not
44 apply, the sale is sourced to the location indicated by
45 an address for the purchaser obtained during the

1 consummation of the sale, including the address of a
2 purchaser's payment instrument, if no other address is
3 available, when use of this address does not constitute
4 bad faith.

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

16 Amend Bill, page 58, by inserting between lines 22 and 23

17 (4) With respect to interstate telecommunications
18 services, only services for interstate telecommunications
19 which originate or are terminated in this Commonwealth and
20 which are billed and charged to a service address in this
21 Commonwealth shall be presumed to have been performed
22 completely in this Commonwealth and shall be subject to tax
23 under this chapter.

24 Amend Bill, page 58, line 28, by striking out "that were
25 previously taxable"

26 Amend Bill, page 61, lines 15 through 19, by striking out all
27 of said lines and inserting

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

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

32 (2) If the purchase price is 8¢ or more but less than
33 22¢, 1¢ shall be collected.

34 (3) If the purchase price is 22¢ or more but less than
35 36¢, 2¢ shall be collected.

36 (4) If the purchase price is 36¢ or more but less than
37 50¢, 3¢ shall be collected.

38 (5) If the purchase price is 50¢ or more but less than
39 65¢, 4¢ shall be collected.

40 (6) If the purchase price is 65¢ or more but less than
41 79¢, 5¢ shall be collected.

42 (7) If the purchase price is 79¢ or more but less than
43 93¢, 6¢ shall be collected.

44 (8) If the purchase price is 93¢ or more but less than
45 \$1.07, seven percent of each dollar of purchase price plus
46 the above tax bracket charges upon any fractional part of a

1 dollar in excess of even dollars shall be collected.

2 Amend Bill, page 66, lines 8 through 20, by striking out all
3 of said lines and inserting

4 (26) The sale at retail or use of clothing as defined in
5 section 701.1(ggg) with a purchase price of less than \$50.

6 Amend Bill, page 66, line 24, by striking out "that are
7 federally approved items" and inserting

8 authorized

9 Amend Bill, page 66, line 26, by inserting after "1786)"
10 as administered by the Department of Health

11 Amend Bill, page 66, lines 27 through 30; page 67, lines 1
12 through 7, by striking out all of said lines on said pages and
13 inserting

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

16 Amend Bill, page 68, line 3, by inserting after "firewood."

17 For the purpose of this paragraph, firewood shall mean
18 the product of trees when severed from the land and cut into
19 proper lengths for burning and pellets made from pure wood
20 sawdust if used for fuel for cooking, hot water production or
21 to heat residential dwellings.

22 Amend Bill, page 72, lines 25 and 26, by striking out "goods
23 or services that" in line 25 and all of line 26 and inserting

24 aircraft parts, services to aircraft and aircraft
25 components. For purposes of this paragraph, the term
26 "aircraft" shall include a fixed-wing aircraft, powered
27 aircraft, powered aircraft, tilt-rotor or tilt-wing aircraft,
28 glider or unmanned aircraft.

29 Amend Bill, page 72, lines 27 through 29, by striking out
30 "The sale at retail or use of transportation of" in line 27, all
31 of line 28 and "government" in line 29 and inserting

32 (Reserved)

33 Amend Bill, page 72, line 30, by striking out "of insurance
34 premiums" and inserting

35 or use of tuition

1 Amend Bill, page 73, lines 1 through 11, by striking out all
2 of said lines and inserting

3 (72) But for the services as defined in section
4 701.1(w), (x), (y), (z), (aa), (bb), (cc), (jj) and (kk), the
5 sale at retail or use of any of the following

6 Amend Bill, page 73, line 14, by inserting after "services"
7 as defined by NAICS industry 5411

8 Amend Bill, page 73, line 16, by inserting after "services"
9 as defined by NAICS industry 5413

10 Amend Bill, page 73, line 17, by inserting after "services"
11 as defined by NAICS industry 5412

12 Amend Bill, page 73, line 18, by inserting after "services"
13 as defined by NAICS industry 5414

14 Amend Bill, page 73, line 20, by inserting after "services"
15 as defined by NAICS industry 5418

16 Amend Bill, page 73, line 21, by striking out "building and
17 dwellings" and inserting

18 buildings and dwellings as defined by NAICS industry
19 5617

20 Amend Bill, page 73, line 23, by inserting after "services"
21 as defined by NAICS industry 5416

22 Amend Bill, page 73, line 24, by inserting after "services"
23 as defined by NAICS industries 5417 and 5419

24 Amend Bill, page 73, line 25, by inserting after "services"
25 as defined by NAICS subsector 519

26 Amend Bill, page 73, line 26, by inserting after "services"
27 as defined by NAICS industries 5611, 5612, 5613,
28 5614, 5615 and 5619

29 Amend Bill, page 73, line 28, by inserting after "services"
30 as defined by NAICS industry 5415

31 Amend Bill, page 73, line 29, by inserting after "services"
32 as defined by NAICS industry 8129

33 Amend Bill, page 73, line 30; page 74, lines 1 through 12, by

1 striking out all of said lines on said pages and inserting

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

4 Amend Bill, page 74, line 13, by striking out "(81)" and
5 inserting

6 (74)

7 Amend Bill, page 74, line 16, by striking out "(82)" and
8 inserting

9 (75)

10 Amend Bill, page 74, lines 19 through 22, by striking out all
11 of lines 19 through 21 and "(84)" in line 22 and inserting

12 (76)

13 Amend Bill, page 74, lines 26 through 30; page 75, lines 1
14 through 8, by striking out all of said lines on said pages and
15 inserting

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

18 Amend Bill, page 76, line 5, by striking out "the" where it
19 occurs the first time and inserting

20 such

21 Amend Bill, page 76, lines 11 through 30; page 77, lines 1
22 through 19, by striking out all of said lines on said pages and
23 inserting

24 (b) (Reserved).

25 Amend Bill, page 78, line 29, by inserting after "chapter"

26 , except that the appeal must be filed within 30 days of
27 the date of the notice

28 Amend Bill, page 79, lines 17 and 18, by striking out "first
29 been licensed by the department" and inserting

30 a valid license at the time of the sale or lease

31 Amend Bill, page 81, lines 28 and 29, by striking out
32 "chapter and deposited into the Education Stabilization Fund"

1 and inserting

2 act

3 Amend Bill, page 82, lines 20 through 28, by striking out all
4 of said lines and inserting

5 (a) Quarterly and monthly returns.--

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

11 (2) For the year in which this chapter becomes
12 effective, and in each year thereafter, a return shall be
13 filed monthly with respect to each month by every licensee
14 whose actual tax liability for the third calendar quarter of
15 the preceding year equals or exceeds \$600 and is less than
16 \$25,000. Such returns shall be filed on or before the 20th
17 day of the next succeeding month with respect to which the
18 return is made. Any licensee required to file monthly returns
19 under this act shall be relieved from filing quarterly
20 returns.

21 (3) With respect to every licensee whose actual tax
22 liability for the third calendar quarter of the preceding
23 year equals or exceeds \$25,000 and is less than \$100,000, the
24 licensee shall, on or before the 20th day of each month, file
25 a single return consisting of all of the following:

26 (i) Either of the following:

27 (A) An amount equal to 50% of the licensee's
28 actual tax liability for the same month in the
29 preceding calendar year if the licensee was a monthly
30 filer or, if the licensee was a quarterly or
31 semiannual filer, 50% of the licensee's average
32 actual tax liability for that tax period in the
33 preceding calendar year. The average actual tax
34 liability shall be the actual tax liability for the
35 tax period divided by the number of months in that
36 tax period. For licensees that were not in business
37 during the same month in the preceding calendar year
38 or were in business for only a portion of that month,
39 the amount shall be 50% of the average actual tax
40 liability for each tax period the licensee has been
41 in business. If the licensee is filing a tax
42 liability for the first time with no preceding tax
43 periods, the amount shall be zero.

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

47 (ii) An amount equal to the taxes due for the

1 preceding month, less any amounts paid in the preceding
2 month as required by subparagraph (i).

3 (4) With respect to each month by every licensee whose
4 actual tax liability for the third calendar quarter of the
5 preceding year equals or exceeds \$100,000, the licensee
6 shall, on or before the 20th day of each month, file a single
7 return consisting of the amounts under paragraph (3)(i)(A)
8 and (ii).

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

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

15 (7) The department may require the filing of the returns
16 and the payments for these types of filers by electronic
17 means approved by the department.

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

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

28 Amend Bill, page 82, line 29, by striking out "reporting" and
29 inserting

30 returns

31 Amend Bill, page 83, line 6, by striking out "Persons other
32 than licensees" and inserting

33 Other returns

34 Amend Bill, page 83, line 11, by striking out "Waivers" and
35 inserting

36 Small taxpayers

37 Amend Bill, page 84, line 21, by striking out "Other" and
38 inserting

39 Annual

40 Amend Bill, page 84, line 27, by striking out "Persons other
41 than licensees" and inserting

1 Other payments

2 Amend Bill, page 85, lines 27 through 30; page 86, lines 1
3 through 10, by striking out all of said lines on said pages and
4 inserting

5 Section 726. (Reserved).

6 Amend Bill, page 87, line 2, by striking out "by certified
7 mail"

8 Amend Bill, page 87, line 20, by striking out
9 "Underestimated" and inserting

10 Understated

11 Amend Bill, page 88, lines 25 through 30; page 89, lines 1
12 through 29, by striking out all of said lines on said pages and
13 inserting

14 Section 733. Assessment to recover erroneous refunds.

15 The department may, within two years of the granting of any
16 refund or credit, or within the period in which an assessment
17 could have been filed by the department with respect to the
18 transaction pertaining to which the refund was granted,
19 whichever period shall last occur, file an assessment to recover
20 any refund or part thereof or credit or part thereof which was
21 erroneously made or allowed.

22 Section 734. (Reserved).

23 Amend Bill, page 91, line 18, by inserting after "lease "
24 of tangible personal property

25 Amend Bill, page 92, line 23, by striking out "Waivers" and
26 inserting

27 Direct payment permits

28 Amend Bill, page 95, lines 18 through 30; page 96, lines 1
29 through 14, by striking out all of said lines on said pages and
30 inserting

31 Section 741. (Reserved).

32 Amend Bill, page 101, line 28, by striking out "the vendor"

33 Amend Bill, page 102, line 1, by striking out "bad"

1 Amend Bill, page 102, line 1, by striking out "vendor's"

2 Amend Bill, page 102, line 1, by inserting after "records"
3 of the vendor or an affiliate of the vendor

4 Amend Bill, page 102, lines 5 through 7, by striking out all
5 of said lines and inserting

6 (a.1) Time for filing petition.--A petition for refund,
7 which is authorized by this section, must be filed with the
8 department within the time limitations under section 3003.1(a).

9 (a.2) Private-label credit cards.--In the case of private-
10 label credit card accounts not qualifying under subsection (a),
11 a vendor or lender that makes an election pursuant to subsection
12 (a.3) shall be entitled to file a petition for refund of sales
13 tax that the vendor has previously reported and paid to the
14 department, if all of the following conditions are met:

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

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

20 (3) The account has been deducted for Federal income tax
21 purposes under section 166 of the Internal Revenue Code of
22 1986 (Public Law 99-514, 26 U.S.C. § 166) by the lender or an
23 affiliate of the lender.

24 (a.3) Joint election.--In order to be eligible for a refund
25 under subsection (a.2), the lender and the vendor must execute
26 and file with the department a joint election, signed by both
27 parties, designating which party is entitled to claim the
28 refund. This election may not be revoked unless a written notice
29 is signed by the party that signed the election being revoked
30 and is filed with the department.

31 Amend Bill, page 102, line 13, by striking out "to the
32 vendor"

33 Amend Bill, page 102, line 16, by striking out "to a vendor"

34 Amend Bill, page 102, line 20, by inserting after "vendor "
35 or lender

36 Amend Bill, page 102, lines 22 through 24, by striking out
37 all of lines 22 and 23 and "any other person" in line 24 and
38 inserting

39 affiliate

1 Amend Bill, page 102, lines 28 through 30; page 103, lines 1
2 through 6, by striking out all of said lines on said pages and
3 inserting

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
31 department.

32 (2) A person claiming a refund under this section may
33 provide alternative forms of documentation acceptable to the
34 department if appropriate in light of the volume and
35 character of uncollectible accounts. This includes the
36 following:

37 (i) If a vendor remits sales or use tax to the
38 Commonwealth and to another state, the entity claiming a
39 refund under this section may use an apportionment method
40 to substantiate the amount of Pennsylvania tax included
41 in the bad debts to which the refund applies.

42 (ii) The apportionment method must use the vendor's
43 Pennsylvania and non-Pennsylvania sales, the vendor's
44 taxable and nontaxable sales and the amount of tax the
45 vendor remitted to Pennsylvania.

46 (f) Subsequent collection.--

47 (1) If the purchase price that is attributed to a prior
48 bad debt refund is collected in whole or in part by the

1 vendor or lender, or an affiliate of the vendor or lender,
2 the entity claiming the refund shall remit the proportional
3 tax to the department with the first return filed after the
4 collection. If the entity is not required to file periodic
5 returns, the entity shall remit the proportional tax to the
6 department with another return pursuant to section 717(c).

7 (2) Any consideration received for the assignment, sale
8 or other transfer of a bad debt with respect to which a
9 refund has been granted shall be deemed to be a collection of
10 a prior bad debt. This paragraph shall not apply to a
11 transfer to an entity that is part of the same affiliated
12 group, as defined by section 1504 of the Internal Revenue
13 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1504).

14 (3) A person that collects, in whole or in part, the
15 purchase price attributed to a prior bad debt refund is
16 required to maintain adequate books, records or other
17 documentation to allow the department to determine whether
18 the purchase price attributed to a prior bad debt refund has
19 been collected. Information under this paragraph includes the
20 pertinent facts required by subsection (e).

21 (4) If it is determined by the department that a prior
22 bad debt has been collected, in whole or in part, and the
23 proportional tax has not been properly reported and paid to
24 the department, the person that claimed the refund on the
25 transaction shall report and pay the proportional tax to the
26 department plus applicable interest and penalty under this
27 chapter.

28 Amend Bill, page 103, lines 20 through 23, by striking out

29 all of said lines and inserting

30 (i) Definitions.--As used in this section, the following
31 words and phrases shall have the meanings given to them in this
32 subsection unless the context clearly indicates otherwise:

33 "Affiliate." A person that is:

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

36 (2) A person described in paragraph (1) or (2) of the
37 definition of "lender" that would be an affiliated entity,
38 under section 1504 of the Internal Revenue Code of 1986, of a
39 vendor but for the fact the person is not a corporation, an
40 assignee or another transferee of a person described in
41 paragraph (1) or (2) of the definition of "lender".

42 "Lender." Any of the following:

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

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

49 (3) A person that is:

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

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

5 "Private-label credit card." Any charge card, credit card or
6 other instrument serving similar purpose which carries, refers
7 to or is branded with the name or logo of a vendor and which can
8 be used for purchases from the vendor. The term does not include
9 a card or instrument which may also be used to make purchases
10 from persons other than the vendor whose name or logo appears on
11 the card or instrument or that vendor's affiliates. Nothing in
12 this definition shall be construed to authorize a refund with
13 respect to bad debts attributable to sales by unrelated persons
14 referred to in this definition.

15 Amend Bill, page 111, lines 12 and 13, by striking out "or
16 the Tax Reform Code of 1971"

17 Amend Bill, page 112, lines 12 through 22, by striking out
18 "Interest." in line 12 and all of lines 13 through 22 and
19 inserting

20 (Reserved).

21 Amend Bill, page 113, lines 8 through 13, by striking out all
22 of said lines

23 Amend Bill, page 114, line 21, by striking out " and (11)
24 through (18)" and inserting

25 , (11), (12), (13), (14), (15), (16), (17), (18) and
26 (20)

27 Amend Bill, page 116, line 9, by striking out "or the Tax
28 Reform Code of 1971"

29 Amend Bill, page 124, by inserting between lines 19 and 20
30 Section 778. Remote sales reports.

31 (a) Duty to submit.--Within 90 days of the publication of
32 the notice under subsection (b), the Independent Fiscal Office,
33 in conjunction with the department, shall submit a detailed
34 report to the chairman and minority chairman of the
35 Appropriations Committee of the Senate, the chairman and
36 minority chairman of the Finance Committee of the Senate, the
37 chairman and minority chairman of the Appropriations Committee
38 of the House of Representatives and the chairman and minority
39 chairman of the Finance Committee of the House of

1 Representatives outlining the plans concerning the
2 implementation of the legislation referenced in subsection (b)
3 or other substantially similar Federal legislation, which would
4 grant the Commonwealth the authority to impose and collect the
5 tax under this chapter due on sales from remote sellers. The
6 report shall include all of the following:

7 (1) The amount of State funds necessary to implement the
8 legislation referenced in subsection (b) or other
9 substantially similar legislation. The amount needed shall be
10 itemized and all costs, including personnel, office expenses
11 and other related costs, shall be included.

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

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

19 (4) The legal and practical issues concerning the
20 propriety of collecting and enforcing the tax imposed under
21 this chapter from remote sellers.

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

24 (6) Proposed draft legislation concerning the
25 implementation of the legislation referenced in subsection
26 (b) or other substantially similar legislation.

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

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

32 Amend Bill, page 125, lines 6 through 11, by striking out all
33 of lines 6 through 10 and "(b)" in line 11 and inserting

34 (a)

35 Amend Bill, page 125, line 11, by inserting after "tax"
36 and hotel occupancy tax

37 Amend Bill, page 125, line 13, by striking out "2014" and
38 inserting

39 2015

40 Amend Bill, page 125, lines 16 and 17, by striking out
41 "paragraphs (2) and (3), 1%" and inserting

42 section 2301 of the Tax Reform Code of 1971 providing
43 for the establishment of the Public Transportation Assistance
44 Fund, 39.6%

1 Amend Bill, page 125, line 19, by striking out "section 702"
2 and inserting

3 Subchapter B

4 Amend Bill, page 125, lines 20 through 30; pages 126 through
5 128, lines 1 through 30; page 129, lines 1 through 13, by
6 striking out all of said lines on said pages and inserting

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

9 Amend Bill, page 129, line 25, by striking out "2014" and
10 inserting

11 2015

12 Amend Bill, page 129, line 28, by striking out "any tax,
13 including, but not limited to,"

14 Amend Bill, page 130, line 20, by striking out "for fiscal
15 year 2013-2014." and inserting

16 in existence on June 30, 2014, at the rates in effect on
17 that date for the use of a school district for fiscal year
18 2014-2015.

19 Amend Bill, page 130, line 21, by striking out "For" and
20 inserting

21 Except as provided in section 1101(b), for

22 Amend Bill, page 130, line 21, by striking out "2014" and
23 inserting

24 2015

25 Amend Bill, page 130, line 25, by striking out "2012" and
26 inserting

27 2013

28 Amend Bill, page 131, line 1, by striking out "and all other
29 taxes"

30 Amend Bill, page 131, line 2, by striking out "2013" and
31 inserting

1 2014

2 Amend Bill, page 131, lines 4 through 6, by striking out
3 "2013-2014. The authority to levy, assess and collect" in line 4
4 and all of lines 5 and 6 and inserting

5 2014-2015.

6 Amend Bill, page 131, line 7, by striking out "For" and
7 inserting

8 Except as provided in section 1101(b), for

9 Amend Bill, page 131, lines 9 and 10, by striking out "any of
10 the taxes identified under paragraph (1)" and inserting

11 a real property tax

12 Amend Bill, page 131, line 12, by striking out "2012" and
13 inserting

14 2013

15 Amend Bill, page 132, lines 1 through 6, by striking out
16 "Expiration of authority to issue debt." in line 1 and all of
17 lines 2 through 6 and inserting

18 (Reserved).

19 Amend Bill, page 132, line 13, by striking out "2012" and
20 inserting

21 2013

22 Amend Bill, page 132, line 14, by striking out "2013" and
23 inserting

24 2014

25 Amend Bill, page 132, line 18, by striking out "2012" and
26 inserting

27 2013

28 Amend Bill, page 132, line 26, by striking out "2014" and
29 inserting

30 2015

31 Amend Bill, page 133, line 9, by striking out "2013-2014" and

1 inserting
2 2014-2015
3 Amend Bill, page 133, line 11, by striking out "2012" and
4 inserting
5 2013
6 Amend Bill, page 133, line 13, by striking out "average
7 annual"
8 Amend Bill, page 133, lines 14 and 15, by striking out all of
9 said lines and inserting
10 Statewide average weekly wage, as defined in 53 Pa.C.S.
11 § 8401 (relating to definitions), from the previous
12 Amend Bill, page 133, line 17, by inserting after "the"
13 average of the
14 Amend Bill, page 133, line 18, by inserting after "702"
15 and the tax upon each dollar income collected under
16 section 401(b)(1) and the percentage increase of the hotel
17 occupancy tax collected under section 710
18 Amend Bill, page 134, line 1, by striking out all of said
19 line and inserting
20 Property Tax Relief Fund, except for amounts needed to
21 provide tax relief in cities of the first class and property
22 tax and rent rebate assistance to senior citizens as provided
23 in Chapters 5, 7 and 13 of the act of June 27, 2006 (1st
24 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act:
25 Amend Bill, page 134, line 16, by striking out "2014-2015"
26 and inserting
27 2015-2016
28 Amend Bill, page 134, line 27, by striking out "2015-2016"
29 and inserting
30 2016-2017
31 Amend Bill, page 135, line 14, by striking out "1504" and
32 inserting
33 1505

1 Amend Bill, page 135, line 18, by inserting after "collected"
2 on or
3 Amend Bill, page 135, line 19, by striking out "2014" and
4 inserting
5 2015
6 Amend Bill, page 135, line 27, by striking out "1504" and
7 inserting
8 1505
9 Amend Bill, page 135, by inserting between lines 27 and 28
10 Section 1502. Regulations.
11 The department shall have jurisdiction over and shall
12 promulgate regulations as necessary for the proper
13 administration of this act.
14 Amend Bill, page 135, line 28, by striking out "1502" and
15 inserting
16 1503
17 Amend Bill, page 136, line 3, by striking out "1503" and
18 inserting
19 1504
20 Amend Bill, page 136, line 16, by striking out "1504" and
21 inserting
22 1505
23 Amend Bill, page 137, line 16, by striking out "1505" and
24 inserting
25 1506
26 Amend Bill, page 137, line 17, by striking out "Section
27 1504(b)(6) and"
28 Amend Bill, page 137, line 17, by inserting after "7"
29 and section 1505(b)(6)
30 Amend Bill, page 137, line 17, by striking out "2014" and
31 inserting
32 2015

1 Amend Bill, page 137, line 18, by striking out "1506" and
2 inserting
3 1507

4 Amend Bill, page 137, lines 20 and 21, by striking out all of
5 said lines and inserting

6 (1) Chapters 3 and 4 and section 1505(b)(2) shall take
7 effect January 1, 2015.

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