

LEGISLATIVE REFERENCE BUREAU

AMENDMENTS TO SENATE BILL NO. 76

Sponsor:

Printer's No. 673

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 or a nonprofit
27 corporation or nonprofit incorporated association under the
28 laws of this Commonwealth or the United States or any entity
29 that is authorized to do business in this Commonwealth as a
30 nonprofit corporation or unincorporated association under the
31 laws of this Commonwealth, including a youth or athletic,
32 volunteer fire, ambulance, religious, charitable, fraternal,
33 veterans or civic association or any separately chartered
34 auxiliary of the foregoing and operated on a nonprofit basis
35 7112, unless imposed by industry 611110 or a nonprofit
36 corporation or nonprofit incorporated association under the
37 laws of this Commonwealth or the United States or any entity
38 that is authorized to do business in this Commonwealth as a
39 nonprofit corporation or unincorporated association under the
40 laws of this Commonwealth, including a youth or athletic,
41 volunteer fire, ambulance, religious, charitable, fraternal,
42 veterans or civic association or any separately chartered
43 auxiliary of the foregoing and operated on a nonprofit basis
44 7113
45 7114
46 712
47 7131
48 7139
49 7212
50 7224
51 8121

1 8122
2 8123
3 8129

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

8 (Reserved)

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

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

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

18 General sourcing rules.--

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

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

38 (i) When the product is received by the purchaser at
39 a business location of the seller, the sale is sourced to
40 that business location.

41 (ii) When the product is not received by the

1 purchaser at a business location of the seller, the sale
2 is sourced to the location where receipt by the purchaser
3 or the purchaser's donee, designated such by the
4 purchaser, occurs, including the location indicated by
5 instructions for delivery to the purchaser or donee,
6 known to the seller.

7 (iii) When subparagraphs (i) and (ii) do not apply,
8 the sale is sourced to the location indicated by an
9 address for the purchaser that is available from the
10 business records of the seller that are maintained in the
11 ordinary course of the seller's business when use of this
12 address does not constitute bad faith.

13 (iv) When subparagraphs (i), (ii) and (iii) do not
14 apply, the sale is sourced to the location indicated by
15 an address for the purchaser obtained during the
16 consummation of the sale, including the address of a
17 purchaser's payment instrument, if no other address is
18 available, when use of this address does not constitute
19 bad faith.

20 (v) When subparagraphs (i), (ii), (iii) and (iv) do not
21 apply, including the circumstance where the seller is without
22 sufficient information to apply the previous rules, when the
23 location will be determined by the address from which tangible
24 personal property was shipped, from which the digital good or
25 the computer software delivered electronically was first
26 available for transmission by the seller or from which the
27 service was provided disregarding for these purposes any
28 location that merely provided the digital transfer of the
29 product sold.

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

31 (4) With respect to interstate telecommunications
32 services, only services for interstate telecommunications
33 which originate or are terminated in this Commonwealth and
34 which are billed and charged to a service address in this
35 Commonwealth shall be presumed to have been performed
36 completely in this Commonwealth and shall be subject to tax
37 under this chapter.

38 Amend Bill, page 58, line 28, by striking out "that were
39 previously taxable"

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

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

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

46 (2) If the purchase price is 8¢ or more but less than

1 22¢, 1¢ shall be collected.
2 (3) If the purchase price is 22¢ or more but less than
3 36¢, 2¢ shall be collected.
4 (4) If the purchase price is 36¢ or more but less than
5 50¢, 3¢ shall be collected.
6 (5) If the purchase price is 50¢ or more but less than
7 65¢, 4¢ shall be collected.
8 (6) If the purchase price is 65¢ or more but less than
9 79¢, 5¢ shall be collected.
10 (7) If the purchase price is 79¢ or more but less than
11 93¢, 6¢ shall be collected.
12 (8) If the purchase price is 93¢ or more but less than
13 \$1.07, seven percent of each dollar of purchase price plus
14 the above tax bracket charges upon any fractional part of a
15 dollar in excess of even dollars shall be collected.

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

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

20 Amend Bill, page 66, line 24, by striking out "that are
21 federally approved items" and inserting
22 authorized

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

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

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

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

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

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

38 aircraft parts, services to aircraft and aircraft
39 components. For purposes of this paragraph, the term
40 "aircraft" shall include a fixed-wing aircraft, powered

1 aircraft, powered aircraft, tilt-rotor or tilt-wing aircraft,
2 glider or unmanned aircraft.

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

6 (Reserved)

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

9 or use of tuition

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

12 (72) But for the services as defined in section
13 701.1(w), (x), (y), (z), (aa), (bb), (cc), (jj) and (kk), the
14 sale at retail or use of any of the following

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

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

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

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

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

25 Amend Bill, page 73, line 21, by striking out "building and
26 dwellings" and inserting

27 buildings and dwellings as defined by NAICS industry
28 5617

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

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

33 Amend Bill, page 73, line 25, by inserting after "services"

1 as defined by NAICS subsector 519
2 Amend Bill, page 73, line 26, by inserting after "services"
3 as defined by NAICS industries 5611, 5612, 5613,
4 5614, 5615 and 5619
5 Amend Bill, page 73, line 28, by inserting after "services"
6 as defined by NAICS industry 5415
7 Amend Bill, page 73, line 29, by inserting after "services"
8 as defined by NAICS industry 8129
9 Amend Bill, page 73, line 30; page 74, lines 1 through 12, by
10 striking out all of said lines on said pages and inserting
11 (73) The sale at retail or use of legal services
12 relating to family law or criminal law.
13 Amend Bill, page 74, line 13, by striking out "(81)" and
14 inserting
15 (74)
16 Amend Bill, page 74, line 16, by striking out "(82)" and
17 inserting
18 (75)
19 Amend Bill, page 74, lines 19 through 22, by striking out all
20 of lines 19 through 21 and "(84)" in line 22 and inserting
21 (76)
22 Amend Bill, page 74, lines 26 through 30; page 75, lines 1
23 through 8, by striking out all of said lines on said pages and
24 inserting
25 (77) The sale at retail or use of goods or services that
26 are part of a Medicare Part B transaction.
27 Amend Bill, page 76, line 5, by striking out "the" where it
28 occurs the first time and inserting
29 such
30 Amend Bill, page 76, lines 11 through 30; page 77, lines 1
31 through 19, by striking out all of said lines on said pages and
32 inserting

1 (b) (Reserved).

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

3 , except that the appeal must be filed within 30 days of
4 the date of the notice

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

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

8 Amend Bill, page 81, lines 28 and 29, by striking out

9 "chapter and deposited into the Education Stabilization Fund"

10 and inserting

11 act

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

14 (a) Quarterly and monthly returns.--

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

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

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

35 (i) Either of the following:

36 (A) An amount equal to 50% of the licensee's
37 actual tax liability for the same month in the
38 preceding calendar year if the licensee was a monthly
39 filer or, if the licensee was a quarterly or
40 semiannual filer, 50% of the licensee's average
41 actual tax liability for that tax period in the
42 preceding calendar year. The average actual tax
43 liability shall be the actual tax liability for the

1 tax period divided by the number of months in that
2 tax period. For licensees that were not in business
3 during the same month in the preceding calendar year
4 or were in business for only a portion of that month,
5 the amount shall be 50% of the average actual tax
6 liability for each tax period the licensee has been
7 in business. If the licensee is filing a tax
8 liability for the first time with no preceding tax
9 periods, the amount shall be zero.

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

13 (ii) An amount equal to the taxes due for the
14 preceding month, less any amounts paid in the preceding
15 month as required by subparagraph (i).

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

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

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

28 (7) The department may require the filing of the returns
29 and the payments for these types of filers by electronic
30 means approved by the department.

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

33 (9) If a licensee required to remit payments under
34 paragraph (3) or (4) fails to make a timely payment or makes
35 a payment which is less than the required amount, the
36 department may, in addition to any applicable penalties,
37 impose an additional penalty equal to 5% of the amount due
38 under paragraph (3) or (4) which was not timely paid. The
39 penalty under this paragraph shall be determined when the tax
40 return is filed for the tax period.

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

43 returns

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

46 Other returns

1 Amend Bill, page 83, line 11, by striking out "Waivers" and
2 inserting

3 Small taxpayers

4 Amend Bill, page 84, line 21, by striking out "Other" and
5 inserting

6 Annual

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

9 Other payments

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

13 Section 726. (Reserved).

14 Amend Bill, page 87, line 2, by striking out "by certified
15 mail"

16 Amend Bill, page 87, line 20, by striking out
17 "Underestimated" and inserting

18 Understated

19 Amend Bill, page 88, lines 25 through 30; page 89, lines 1
20 through 29, by striking out all of said lines on said pages and
21 inserting

22 Section 733. Assessment to recover erroneous refunds.

23 The department may, within two years of the granting of any
24 refund or credit, or within the period in which an assessment
25 could have been filed by the department with respect to the
26 transaction pertaining to which the refund was granted,
27 whichever period shall last occur, file an assessment to recover
28 any refund or part thereof or credit or part thereof which was
29 erroneously made or allowed.

30 Section 734. (Reserved).

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

33 Amend Bill, page 92, line 23, by striking out "Waivers" and

1 inserting
2 Direct payment permits
3 Amend Bill, page 95, lines 18 through 30; page 96, lines 1
4 through 14, by striking out all of said lines on said pages and
5 inserting
6 Section 741. (Reserved).
7 Amend Bill, page 101, line 28, by striking out "the vendor"
8 Amend Bill, page 102, line 1, by striking out "bad"
9 Amend Bill, page 102, line 1, by striking out "vendor's"
10 Amend Bill, page 102, line 1, by inserting after "records"
11 of the vendor or an affiliate of the vendor
12 Amend Bill, page 102, lines 5 through 7, by striking out all
13 of said lines and inserting
14 (a.1) Time for filing petition.--A petition for refund,
15 which is authorized by this section, must be filed with the
16 department within the time limitations under section 3003.1(a).
17 (a.2) Private-label credit cards.--In the case of private-
18 label credit card accounts not qualifying under subsection (a),
19 a vendor or lender that makes an election pursuant to subsection
20 (a.3) shall be entitled to file a petition for refund of sales
21 tax that the vendor has previously reported and paid to the
22 department, if all of the following conditions are met:
23 (1) No refund was previously allowed with respect to the
24 portion of the account written off as a bad debt.
25 (2) The account has been found worthless and written
26 off, either in whole or in part, as bad debt on the books and
27 records of the lender or an affiliate of the lender.
28 (3) The account has been deducted for Federal income tax
29 purposes under section 166 of the Internal Revenue Code of
30 1986 (Public Law 99-514, 26 U.S.C. § 166) by the lender or an
31 affiliate of the lender.
32 (a.3) Joint election.--In order to be eligible for a refund
33 under subsection (a.2), the lender and the vendor must execute
34 and file with the department a joint election, signed by both
35 parties, designating which party is entitled to claim the
36 refund. This election may not be revoked unless a written notice
37 is signed by the party that signed the election being revoked
38 and is filed with the department.
39 Amend Bill, page 102, line 13, by striking out "to the

1 vendor"

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

3 Amend Bill, page 102, line 20, by inserting after "vendor "
4 or lender

5 Amend Bill, page 102, lines 22 through 24, by striking out
6 all of lines 22 and 23 and "any other person" in line 24 and
7 inserting

8 affiliate

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

12 (e) Documentation.--Documentation requirements are as
13 follows:

14 (1) Any person claiming a refund under this section
15 shall, on request, make available adequate books, records or
16 other documentation supporting the claimed refund, including:

17 (i) Date of original sale, name and Pennsylvania
18 sales tax license number of the retailer.

19 (ii) Name and address of purchaser.

20 (iii) Amount that the purchaser paid or agreed to
21 pay.

22 (iv) Taxable and nontaxable charges.

23 (v) Amount on which the retailer reported and paid
24 sales tax.

25 (vi) All payments or other credits applied to the
26 account of the purchaser.

27 (vii) Evidence that the uncollected amount has been
28 designated as a bad debt in the books and records of the
29 vendor or lender, as appropriate, and that the amount has
30 been claimed as a bad debt deduction for Federal income
31 tax purposes.

32 (viii) The county in which any local sales tax was
33 incurred.

34 (ix) The unpaid portion of the sales price.

35 (x) A certification, under penalty of perjury, that
36 no person has collected money on the bad debt for which
37 the refund is claimed.

38 (xi) Any other information required by the
39 department.

40 (2) A person claiming a refund under this section may
41 provide alternative forms of documentation acceptable to the
42 department if appropriate in light of the volume and

1 character of uncollectible accounts. This includes the
2 following:

3 (i) If a vendor remits sales or use tax to the
4 Commonwealth and to another state, the entity claiming a
5 refund under this section may use an apportionment method
6 to substantiate the amount of Pennsylvania tax included
7 in the bad debts to which the refund applies.

8 (ii) The apportionment method must use the vendor's
9 Pennsylvania and non-Pennsylvania sales, the vendor's
10 taxable and nontaxable sales and the amount of tax the
11 vendor remitted to Pennsylvania.

12 (f) Subsequent collection.--

13 (1) If the purchase price that is attributed to a prior
14 bad debt refund is collected in whole or in part by the
15 vendor or lender, or an affiliate of the vendor or lender,
16 the entity claiming the refund shall remit the proportional
17 tax to the department with the first return filed after the
18 collection. If the entity is not required to file periodic
19 returns, the entity shall remit the proportional tax to the
20 department with another return pursuant to section 717(c).

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

28 (3) A person that collects, in whole or in part, the
29 purchase price attributed to a prior bad debt refund is
30 required to maintain adequate books, records or other
31 documentation to allow the department to determine whether
32 the purchase price attributed to a prior bad debt refund has
33 been collected. Information under this paragraph includes the
34 pertinent facts required by subsection (e).

35 (4) If it is determined by the department that a prior
36 bad debt has been collected, in whole or in part, and the
37 proportional tax has not been properly reported and paid to
38 the department, the person that claimed the refund on the
39 transaction shall report and pay the proportional tax to the
40 department plus applicable interest and penalty under this
41 chapter.

42 Amend Bill, page 103, lines 20 through 23, by striking out
43 all of said lines and inserting

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

47 "Affiliate." A person that is:

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

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

7 "Lender." Any of the following:

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

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

14 (3) A person that is:

15 (i) an affiliate of a person described in paragraph

16 (1) or (2); or

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

19 "Private-label credit card." Any charge card, credit card or
20 other instrument serving similar purpose which carries, refers
21 to or is branded with the name or logo of a vendor and which can
22 be used for purchases from the vendor. The term does not include
23 a card or instrument which may also be used to make purchases
24 from persons other than the vendor whose name or logo appears on
25 the card or instrument or that vendor's affiliates. Nothing in
26 this definition shall be construed to authorize a refund with
27 respect to bad debts attributable to sales by unrelated persons
28 referred to in this definition.

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

31 Amend Bill, page 112, lines 12 through 22, by striking out
32 "Interest." in line 12 and all of lines 13 through 22 and
33 inserting

34 (Reserved).

35 Amend Bill, page 113, lines 8 through 13, by striking out all
36 of said lines

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

39 , (11), (12), (13), (14), (15), (16), (17), (18) and
40 (20)

41 Amend Bill, page 116, line 9, by striking out "or the Tax

1 Reform Code of 1971"

2 Amend Bill, page 124, by inserting between lines 19 and 20

3 Section 778. Remote sales reports.

4 (a) Duty to submit.--Within 90 days of the publication of
5 the notice under subsection (b), the Independent Fiscal Office,
6 in conjunction with the department, shall submit a detailed
7 report to the chairman and minority chairman of the
8 Appropriations Committee of the Senate, the chairman and
9 minority chairman of the Finance Committee of the Senate, the
10 chairman and minority chairman of the Appropriations Committee
11 of the House of Representatives and the chairman and minority
12 chairman of the Finance Committee of the House of
13 Representatives outlining the plans concerning the
14 implementation of the legislation referenced in subsection (b)
15 or other substantially similar Federal legislation, which would
16 grant the Commonwealth the authority to impose and collect the
17 tax under this chapter due on sales from remote sellers. The
18 report shall include all of the following:

19 (1) The amount of State funds necessary to implement the
20 legislation referenced in subsection (b) or other
21 substantially similar legislation. The amount needed shall be
22 itemized and all costs, including personnel, office expenses
23 and other related costs, shall be included.

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

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

31 (4) The legal and practical issues concerning the
32 propriety of collecting and enforcing the tax imposed under
33 this chapter from remote sellers.

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

36 (6) Proposed draft legislation concerning the
37 implementation of the legislation referenced in subsection
38 (b) or other substantially similar legislation.

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

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

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

46 (a)

1 Amend Bill, page 125, line 11, by inserting after "tax"
2 and hotel occupancy tax
3 Amend Bill, page 125, line 13, by striking out "2014" and
4 inserting
5 2015
6 Amend Bill, page 125, lines 16 and 17, by striking out
7 "paragraphs (2) and (3), 1%" and inserting
8 section 2301 of the Tax Reform Code of 1971 providing
9 for the establishment of the Public Transportation Assistance
10 Fund, 39.6%
11 Amend Bill, page 125, line 19, by striking out "section 702"
12 and inserting
13 Subchapter B
14 Amend Bill, page 125, lines 20 through 30; pages 126 through
15 128, lines 1 through 30; page 129, lines 1 through 13, by
16 striking out all of said lines on said pages and inserting
17 (2) One-seventh of the hotel occupancy tax collected
18 under Subchapter E.
19 Amend Bill, page 129, line 25, by striking out "2014" and
20 inserting
21 2015
22 Amend Bill, page 129, line 28, by striking out "any tax,
23 including, but not limited to,"
24 Amend Bill, page 130, line 20, by striking out "for fiscal
25 year 2013-2014." and inserting
26 in existence on June 30, 2014, at the rates in effect on
27 that date for the use of a school district for fiscal year
28 2014-2015.
29 Amend Bill, page 130, line 21, by striking out "For" and
30 inserting
31 Except as provided in section 1101(b), for
32 Amend Bill, page 130, line 21, by striking out "2014" and

1 inserting

2 2015

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

5 2013

6 Amend Bill, page 131, line 1, by striking out "and all other
7 taxes"

8 Amend Bill, page 131, line 2, by striking out "2013" and
9 inserting

10 2014

11 Amend Bill, page 131, lines 4 through 6, by striking out
12 "2013-2014. The authority to levy, assess and collect" in line 4
13 and all of lines 5 and 6 and inserting

14 2014-2015.

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

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

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

20 a real property tax

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

23 2013

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

27 (Reserved).

28 Amend Bill, page 132, line 13, by striking out "December 31,
29 2012" and inserting

30 September 15, 2014

1 Amend Bill, page 132, line 14, by striking out "September 30,
2 2013" and inserting

3 December 31, 2014

4 Amend Bill, page 132, line 18, by striking out "December 31,
5 2012," and inserting

6 September 15, 2014,

7 Amend Bill, page 132, line 26, by striking out "2014" and
8 inserting

9 2015

10 Amend Bill, page 133, line 9, by striking out "2013-2014" and
11 inserting

12 2014-2015

13 Amend Bill, page 133, line 11, by striking out "2012" and
14 inserting

15 2013

16 Amend Bill, page 133, line 13, by striking out "average
17 annual"

18 Amend Bill, page 133, lines 14 and 15, by striking out all of
19 said lines and inserting

20 Statewide average weekly wage, as defined in 53 Pa.C.S.
21 § 8401 (relating to definitions), from the previous

22 Amend Bill, page 133, line 17, by inserting after "the"
23 average of the

24 Amend Bill, page 133, line 18, by inserting after "702"

25 and the tax upon each dollar income collected under
26 section 401(b)(1) and the percentage increase of the hotel
27 occupancy tax collected under section 710

28 Amend Bill, page 134, line 1, by striking out all of said
29 line and inserting

30 Property Tax Relief Fund, except for amounts needed to
31 provide tax relief in cities of the first class and property
32 tax and rent rebate assistance to senior citizens as provided
33 in Chapters 5, 7 and 13 of the act of June 27, 2006 (1st

1 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act:
2 Amend Bill, page 134, line 16, by striking out "2014-2015"
3 and inserting
4 2015-2016
5 Amend Bill, page 134, line 27, by striking out "2015-2016"
6 and inserting
7 2016-2017
8 Amend Bill, page 135, line 14, by striking out "1504" and
9 inserting
10 1505
11 Amend Bill, page 135, line 18, by inserting after "collected"
12 on or
13 Amend Bill, page 135, line 19, by striking out "2014" and
14 inserting
15 2015
16 Amend Bill, page 135, line 27, by striking out "1504" and
17 inserting
18 1505
19 Amend Bill, page 135, by inserting between lines 27 and 28
20 Section 1502. Regulations.
21 The department shall have jurisdiction over and shall
22 promulgate regulations as necessary for the proper
23 administration of this act.
24 Amend Bill, page 135, line 28, by striking out "1502" and
25 inserting
26 1503
27 Amend Bill, page 136, line 3, by striking out "1503" and
28 inserting
29 1504
30 Amend Bill, page 136, line 16, by striking out "1504" and
31 inserting
32 1505

1 Amend Bill, page 137, line 16, by striking out "1505" and
2 inserting
3 1506

4 Amend Bill, page 137, line 17, by striking out "Section
5 1504(b)(6) and"

6 Amend Bill, page 137, line 17, by inserting after "7"
7 and section 1505(b)(6)

8 Amend Bill, page 137, line 17, by striking out "2014" and
9 inserting
10 2015

11 Amend Bill, page 137, line 18, by striking out "1506" and
12 inserting
13 1507

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

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