
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1245 Session of
2017

INTRODUCED BY GROVE, RYAN, KEEFER, WARD, WARNER, MCGINNIS,
KAUFFMAN, ROTHMAN, ZIMMERMAN, B. MILLER, COX, WHEELAND,
PHILLIPS-HILL AND SANKEY, APRIL 19, 2017

REFERRED TO COMMITTEE ON FINANCE, APRIL 19, 2017

AN ACT

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

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

14 Section 1. Section 202(e.1) and (g) of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
16 amended and the section is amended by adding a subsection to
17 read:

18 Section 202. Imposition of Tax.--* * *

19 (e.1) (1) [Notwithstanding] Except as provided in
20 subsection (h), notwithstanding any other provision of this
21 article, the sale or use of prepaid mobile telecommunications
22 service evidenced by the transfer of tangible personal property

1 shall be subject to the tax imposed by subsections (a) and (b).

2 (2) [The] Except as provided in subsection (h), the sale or
3 use of prepaid mobile telecommunications service not evidenced
4 by the transfer of tangible personal property shall be subject
5 to the tax imposed by subsections (a) and (b) and shall be
6 deemed to occur at the purchaser's billing address or the
7 location associated with the mobile telephone number or the
8 point of sale, whichever is applicable.

9 (3) [Notwithstanding] Except as provided in subsection (h),
10 notwithstanding clause (2), the sale or use of prepaid mobile
11 telecommunications service not evidenced by the transfer of
12 tangible personal property shall be taxed at the rate of six per
13 cent of the receipts collected on each sale if the service
14 provider elects to collect the tax imposed by this article on
15 receipts of each sale. The service provider shall notify the
16 department of its election and shall collect the tax on receipts
17 of each sale until the service provider notifies the department
18 otherwise.

19 * * *

20 (g) [Notwithstanding] Except as provided in subsection (h),
21 notwithstanding any other provisions of this article and in
22 accordance with the Mobile Telecommunications Sourcing Act (4
23 U.S.C. § 116), the sale or use of mobile telecommunications
24 services which are deemed to be provided to a customer by a home
25 service provider under section 117(a) and (b) of the Mobile
26 Telecommunications Sourcing Act shall be subject to the tax of
27 six per cent of the purchase price, which tax shall be collected
28 by the home service provider from the customer, and shall be
29 paid over to the Commonwealth as herein provided if the
30 customer's place of primary use is located within this

1 Commonwealth, regardless of where the mobile telecommunications
2 services originate, terminate or pass through. For purposes of
3 this subsection, words and phrases used in this subsection shall
4 have the same meanings given to them in the Mobile
5 Telecommunications Sourcing Act.

6 (h) The sale or use of mobile telecommunications services
7 which are subject to tax under section 1101(a) shall not be
8 subject to a tax imposed under this section.

9 Section 2. This act shall take effect January 1, 2018.