

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1907 Session of 2017

INTRODUCED BY DIAMOND, COX AND DUSH, NOVEMBER 6, 2017

REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 6, 2017

AN ACT

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

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

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

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

13 Section 503. Imposition of additional tax.

14 * * *

15 (d) Rate and uniformity.--

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

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

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

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

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

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

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

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

1 than \$7.01, 3¢ shall be collected.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (1) This section and section 2 of this act shall take
30 effect immediately.

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