
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 13 Session of
2015

INTRODUCED BY COSTA, HUGHES, WILLIAMS, BLAKE, BOSCOLA, BREWSTER,
FARNESE, FONTANA, HAYWOOD, KITCHEN, LEACH, TARTAGLIONE,
WILEY, WOZNIAK AND YUDICHAK, AUGUST 19, 2015

REFERRED TO FINANCE, AUGUST 19, 2015

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 sales and use tax, further providing for
11 imposition of tax, repealing provisions relating to
12 computation of tax, providing for tax table, and further
13 providing for alternate imposition of tax and credits and for
14 hotel occupancy tax imposition; in personal income tax,
15 further providing for imposition of tax; in cigarette tax,
16 further providing for incidence and rate of tax and for floor
17 tax; providing for tobacco products tax and for school
18 district property tax and rent rebates; and establishing the
19 School District Property Tax and Rent Rebate Fund.

20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 Section 1. Section 202 of the act of March 4, 1971 (P.L.6,
23 No.2), known as the Tax Reform Code of 1971, amended September
24 9, 1971 (P.L.437, No.105), October 4, 1978 (P.L.987, No.201),
25 April 23, 1998 (P.L.239, No.45), May 24, 2000 (P.L.106, No.23)
26 and June 29, 2002 (P.L.559, No.89), is amended to read:

1 Section 202. Imposition of Tax.--(a) There is hereby
2 imposed upon each separate sale at retail of tangible personal
3 property or services, as defined herein, within this
4 Commonwealth a tax of six and six-tenths per cent of the
5 purchase price, which tax shall be collected by the vendor from
6 the purchaser, and shall be paid over to the Commonwealth as
7 herein provided.

8 (b) There is hereby imposed upon the use, on and after the
9 effective date of this article, within this Commonwealth of
10 tangible personal property purchased at retail on or after the
11 effective date of this article, and on those services described
12 herein purchased at retail on and after the effective date of
13 this article, a tax of six and six-tenths per cent of the
14 purchase price, which tax shall be paid to the Commonwealth by
15 the person who makes such use as herein provided, except that
16 such tax shall not be paid to the Commonwealth by such person
17 where he has paid the tax imposed by subsection (a) of this
18 section or has paid the tax imposed by this subsection (b) to
19 the vendor with respect to such use. [The tax at the rate of six
20 per cent imposed by this subsection shall not be deemed
21 applicable where the tax has been incurred under the provisions
22 of the "Tax Act of 1963 for Education."]

23 (c) Notwithstanding any other provisions of this article,
24 the tax with respect to telecommunications service within the
25 meaning of clause (m) of section 201 of this article shall,
26 except for telegrams paid for in cash at telegraph offices, be
27 computed at the rate of six and six-tenths per cent upon the
28 total amount charged to customers for such services,
29 irrespective of whether such charge is based upon a flat rate or
30 upon a message unit charge, but in no event shall charges for

1 telephone calls paid for by inserting money into a telephone
2 accepting direct deposits of money to operate be subject to this
3 tax. A telecommunications service provider shall have no
4 responsibility or liability to the Commonwealth for billing,
5 collecting or remitting taxes that apply to services, products
6 or other commerce sold over telecommunications lines by third-
7 party vendors. To prevent actual multistate taxation of
8 interstate telecommunications service, any taxpayer, upon proof
9 that the taxpayer has paid a similar tax to another state on the
10 same interstate telecommunications service, shall be allowed a
11 credit against the tax imposed by this section on the same
12 interstate telecommunications service to the extent of the
13 amount of such tax properly due and paid to such other state.

14 (d) Notwithstanding any other provisions of this article,
15 the sale or use of food and beverages dispensed by means of coin
16 operated vending machines shall be taxed at the rate of six and
17 six-tenths per cent of the receipts collected from any such
18 machine which dispenses food and beverages heretofore taxable.

19 (e) (1) Notwithstanding any provisions of this article, the
20 sale or use of prepaid telecommunications evidenced by the
21 transfer of tangible personal property shall be subject to the
22 tax imposed by subsections (a) and (b).

23 (2) The sale or use of prepaid telecommunications not
24 evidenced by the transfer of tangible personal property shall be
25 subject to the tax imposed by subsections (a) and (b) and shall
26 be deemed to occur at the purchaser's billing address.

27 (3) Notwithstanding clause (2), the sale or use of prepaid
28 telecommunications service not evidenced by the transfer of
29 tangible personal property shall be taxed at the rate of six and
30 six-tenths per cent of the receipts collected on each sale if

1 the service provider elects to collect the tax imposed by this
2 article on receipts of each sale. The service provider shall
3 notify the department of its election and shall collect the tax
4 on receipts of each sale until the service provider notifies the
5 department otherwise.

6 (e.1) (1) Notwithstanding any other provision of this
7 article, the sale or use of prepaid mobile telecommunications
8 service evidenced by the transfer of tangible personal property
9 shall be subject to the tax imposed by subsections (a) and (b).

10 (2) The sale or use of prepaid mobile telecommunications
11 service not evidenced by the transfer of tangible personal
12 property shall be subject to the tax imposed by subsections (a)
13 and (b) and shall be deemed to occur at the purchaser's billing
14 address or the location associated with the mobile telephone
15 number or the point of sale, whichever is applicable.

16 (3) Notwithstanding clause (2), the sale or use of prepaid
17 mobile telecommunications service not evidenced by the transfer
18 of tangible personal property shall be taxed at the rate of six
19 and six-tenths per cent of the receipts collected on each sale
20 if the service provider elects to collect the tax imposed by
21 this article on receipts of each sale. The service provider
22 shall notify the department of its election and shall collect
23 the tax on receipts of each sale until the service provider
24 notifies the department otherwise.

25 (f) Notwithstanding any other provision of this article, tax
26 with respect to sales of prebuilt housing shall be imposed on
27 the prebuilt housing builder at the time of the prebuilt housing
28 sale within this Commonwealth and shall be paid and reported by
29 the prebuilt housing builder to the department in the time and
30 manner provided in this article: Provided, however, That a

1 manufacturer of prebuilt housing may, at its option, precollect
2 the tax from the prebuilt housing builder at the time of sale to
3 the prebuilt housing builder. In any case where prebuilt housing
4 is purchased and the tax is not paid by the prebuilt housing
5 builder or precollected by the manufacturer, the prebuilt
6 housing purchaser shall remit tax directly to the department if
7 the prebuilt housing is used in this Commonwealth without regard
8 to whether the prebuilt housing becomes a real estate structure.

9 (g) Notwithstanding any other provisions of this article and
10 in accordance with the Mobile Telecommunications Sourcing Act (4
11 U.S.C. § 116), the sale or use of mobile telecommunications
12 services which are deemed to be provided to a customer by a home
13 service provider under section 117(a) and (b) of the Mobile
14 Telecommunications Sourcing Act shall be subject to the tax of
15 six and six-tenths per cent of the purchase price, which tax
16 shall be collected by the home service provider from the
17 customer, and shall be paid over to the Commonwealth as herein
18 provided if the customer's place of primary use is located
19 within this Commonwealth, regardless of where the mobile
20 telecommunications services originate, terminate or pass
21 through. For purposes of this subsection, words and phrases used
22 in this subsection shall have the same meanings given to them in
23 the Mobile Telecommunications Sourcing Act.

24 Section 2. Section 203 of the act is repealed:

25 [Section 203. Computation of Tax.--The amount of tax imposed
26 by section 202 of this article shall be computed as follows:

27 (a) If the purchase price is ten cents (10¢) or less, no tax
28 shall be collected.

29 (b) If the purchase price is eleven cents (11¢) or more but
30 less than eighteen cents (18¢), one cent (1¢) shall be

1 collected.

2 (c) If the purchase price is eighteen cents (18¢) or more
3 but less than thirty-five cents (35¢), two cents (2¢) shall be
4 collected.

5 (d) If the purchase price is thirty-five cents (35¢) or more
6 but less than fifty-one cents (51¢), three cents (3¢) shall be
7 collected.

8 (e) If the purchase price is fifty-one cents (51¢) or more
9 but less than sixty-eight cents (68¢), four cents (4¢) shall be
10 collected.

11 (f) If the purchase price is sixty-eight cents (68¢) or more
12 but less than eighty-five cents (85¢), five cents (5¢) shall be
13 collected.

14 (g) If the purchase price is eighty-five cents (85¢) or more
15 but less than one dollar and one cent (\$1.01), six cents (6¢)
16 shall be collected.

17 (h) If the purchase price is more than one dollar (\$1.00),
18 six per centum of each dollar of purchase price plus the above
19 bracket charges upon any fractional part of a dollar in excess
20 of even dollars shall be collected.]

21 Section 3. The act is amended by adding a section to read:

22 Section 203.1. Tax Table.--Within thirty days of the
23 effective date of this section, the department shall prepare and
24 publish as a notice in the Pennsylvania Bulletin a table setting
25 forth the amount of tax imposed under section 202 for purchase
26 prices that result in a tax containing a fraction of less than
27 one cent (1¢).

28 Section 4. Section 205 of the act, amended June 9, 1978
29 (P.L.463, No.62) and July 12, 2006 (P.L.1137, No.116), is
30 amended to read:

1 Section 205. Alternate Imposition of Tax; Credits.--(a) If
2 any person actively and principally engaged in the business of
3 selling new or used motor vehicles, trailers or semi-trailers,
4 and registered with the department in the "dealer's class,"
5 acquires a motor vehicle, trailer or semi-trailer for the
6 purpose of resale, and prior to such resale, uses the motor
7 vehicle, trailer or semi-trailer for a taxable use under this
8 act, the person may pay a tax equal to six and six-tenths per
9 cent of the fair rental value of the motor vehicle, trailer or
10 semi-trailer during such use. This section shall not apply to
11 the use of a vehicle as a wrecker, parts truck, delivery truck
12 or courtesy car.

13 (b) A commercial aircraft operator who acquires an aircraft
14 for the purpose of resale, or lease, or is entitled to claim
15 another valid exemption at the time of purchase, and subsequent
16 to such purchase, periodically uses the same aircraft for a
17 taxable use under this act, may elect to pay a tax equal to six
18 and six-tenths per cent of the fair rental value of the aircraft
19 during such use.

20 Section 5. Section 210 of the act is amended to read:

21 Section 210. Imposition of Tax.--There is hereby imposed an
22 excise tax of six and six-tenths per cent of the rent upon every
23 occupancy of a room or rooms in a hotel in this Commonwealth,
24 which tax shall be collected by the operator from the occupant
25 and paid over to the Commonwealth as herein provided.

26 Section 6. Section 302 of the act, amended December 23, 2003
27 (P.L.250, No.46), is amended to read:

28 Section 302. Imposition of Tax.--(a) Every resident
29 individual, estate or trust shall be subject to, and shall pay
30 for the privilege of receiving each of the classes of income

1 hereinafter enumerated in section 303, a tax upon each dollar of
2 income received by that resident during that resident's taxable
3 year at the rate [of three and seven hundredths per cent]
4 prescribed under subsection (c).

5 (b) Every nonresident individual, estate or trust shall be
6 subject to, and shall pay for the privilege of receiving each of
7 the classes of income hereinafter enumerated in section 303 from
8 sources within this Commonwealth, a tax upon each dollar of
9 income received by that nonresident during that nonresident's
10 taxable year at the rate [of three and seven hundredths per
11 cent] prescribed under subsection (c).

12 (c) The rate of tax to be imposed under this section shall
13 be as follows:

14 (1) Three and seven hundredths per cent for taxable
15 years commencing with or within calendar year 2004 through
16 the first half of the taxable year commencing with or within
17 calendar year 2015.

18 (2) Three and eight hundred forty-five thousandths per
19 cent for the second half of the taxable year commencing with
20 or within calendar year 2015 and each taxable year
21 thereafter.

22 Section 7. Sections 1206 and 1206.1 of the act, amended
23 October 9, 2009 (P.L.451, No.48), are amended to read:

24 Section 1206. Incidence and Rate of Tax.--An excise tax is
25 hereby imposed and assessed upon the sale or possession of
26 cigarettes within this Commonwealth at the rate of [eight]
27 thirteen cents per cigarette.

28 Section 1206.1. Floor Tax.--(a) The following apply:

29 (1) A person who possesses cigarettes on which the tax
30 imposed by section 1206 has been paid as of [the effective date

1 of this section] (in preparing this act for printing in the Laws
2 of Pennsylvania, the Legislative Reference Bureau shall insert
3 here, in lieu of this statement, the date which is the date of
4 enactment of this amendatory act) shall pay an additional tax at
5 a rate of [one and twenty-five hundredths] five cents per
6 cigarette. The tax shall be paid and reported on a form
7 prescribed by the department [within ninety days of the
8 effective date of this section.] by (in preparing this act for
9 printing in the Laws of Pennsylvania, the Legislative Reference
10 Bureau shall insert here, in lieu of this statement, the date
11 which is 90 days after the date of enactment of this amendatory
12 act).

13 (2) On or after the effective date of this paragraph, a
14 person that possesses little cigars in a package which is
15 similar to a package of cigarettes other than little cigars and
16 which contains twenty to twenty-five little cigars shall pay a
17 tax at the rate of eight cents per little cigar. The tax shall
18 be paid and reported on a form prescribed by the department
19 within ninety days of the effective date of this paragraph.

20 (3) After January 3, 2010, a retailer that possesses little
21 cigars on which the tax imposed by this article has not been
22 paid shall pay a tax at the rate of eight cents per little
23 cigar. The tax shall be paid and reported on a form prescribed
24 by the department within ninety days of the effective date of
25 this paragraph.

26 (b) If a cigarette dealer fails to file the report required
27 by subsection (a) or fails to pay the tax imposed by subsection
28 (a), the department may, in addition to the interest and
29 penalties provided in section 1278, do any of the following:

30 (1) Impose an administrative penalty equal to the amount of

1 tax evaded or not paid. The penalty shall be added to the tax
2 evaded or not paid and assessed and collected at the same time
3 and in the same manner as the tax.

4 (2) Suspend or revoke a cigarette dealer's license.

5 (c) In addition to any penalty imposed under subsection (b),
6 a person who wilfully omits, neglects or refuses to comply with
7 a duty imposed under subsection (a) commits a misdemeanor and
8 shall, upon conviction, be sentenced to pay a fine of not less
9 than two thousand five hundred dollars (\$2,500) nor more than
10 five thousand dollars (\$5,000), to serve a term of imprisonment
11 not to exceed thirty days or both.

12 Section 8. The act is amended by adding articles to read:

13 ARTICLE XII-A

14 TOBACCO PRODUCTS TAX

15 Section 1201-A. Definitions.

16 The following words and phrases when used in this article
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 "Cigar." Any roll of tobacco wrapped in tobacco.

20 "Cigarette." As defined in section 1201.

21 "Consumer." An individual who purchases tobacco products for
22 personal use and not for resale.

23 "Contraband." Any tobacco product for which the tax imposed
24 by this article has not been paid.

25 "Dealer." A wholesaler or retailer. Nothing in this article
26 shall preclude any person from being a wholesaler or retailer,
27 provided the person meets the requirements for a license in each
28 category of dealer.

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

30 "Electronic cigarettes." As follows:

1 (1) An electronic oral device, such as one composed of a
2 heating element and battery or electronic circuit, or both,
3 which provides a vapor of nicotine or any other substance and
4 the use or inhalation of which simulates smoking.

5 (2) The term includes:

6 (i) A device as described in paragraph (1),
7 notwithstanding whether the device is manufactured,
8 distributed, marketed or sold as an e-cigarette, e-cigar
9 and e-pipe or under any other product, name or
10 description.

11 (ii) A liquid or substance placed in an electronic
12 cigarette.

13 "Manufacturer." A person that produces tobacco products.

14 "Person." An individual, unincorporated association,
15 company, corporation, joint stock company, group, agency,
16 syndicate, trust or trustee, receiver, fiduciary, partnership,
17 conservator, any political subdivision of the Commonwealth or
18 any other state. If used in any of the provisions of this
19 article prescribing or imposing penalties, the term "person" as
20 applied to a partnership, unincorporated association or other
21 joint venture, shall mean the partners or members of the
22 partnership, unincorporated association or other joint venture,
23 and as applied to a corporation, shall mean each officer and
24 director of the corporation.

25 "Purchase price." The total value of anything paid or
26 delivered, or promised to be paid or delivered, money or
27 otherwise, in complete performance of a sale or purchase,
28 without any deduction on account of the cost or value of the
29 property sold, cost or value of transportation, cost or value of
30 labor or service, interest or discount paid or allowed after the

1 sale is consummated, any other taxes imposed by the Commonwealth
2 or any other expense.

3 "Retailer." A person that purchases or receives tobacco
4 products from any source for the purpose of sale to a consumer,
5 or who owns, leases or otherwise operates one or more vending
6 machines for the purpose of sale of tobacco products to the
7 ultimate consumer. The term includes a vending machine operator
8 or a person that buys, sells, transfers or deals in tobacco
9 products and is not licensed as a tobacco products wholesaler
10 under this article.

11 "Roll-your-own tobacco." Any tobacco which, because of the
12 tobacco's appearance, type, packaging or labeling, is suitable
13 for use and is likely to be offered to, or purchased by,
14 consumers as tobacco for making cigarettes.

15 "Sale." Any transfer of ownership, custody or possession of
16 tobacco products for consideration; any exchange, barter or
17 gift; or any offer to sell or transfer the ownership, custody or
18 possession of tobacco products for consideration.

19 "Taxpayer." Any person subject to tax under this article.

20 "Tobacco products." Cigars, cigarillos, cheroots, stogies,
21 periques, granulated, plug cut, crimp cut, ready rubbed and
22 other smoking tobacco, roll-your-own tobacco, snuff, dry snuff,
23 snuff flour, cavendish, plug and twist tobacco, fine-cut and
24 other chewing tobaccos, shorts, refuse scraps, clippings,
25 cuttings and sweepings of tobacco and other kinds and forms of
26 tobacco, prepared in such manner as to be suitable for chewing
27 or ingesting or for smoking in a pipe or otherwise, or both for
28 chewing and smoking, including e-cigarettes. The term does not
29 include any item subject to the tax under section 1202.

30 "Unclassified importer." A person in this Commonwealth that

1 acquires a tobacco product from any source on which the tax
2 imposed by this article was not paid and that is not a person
3 otherwise required to be licensed under the provisions of this
4 article. The term includes, but is not limited to, consumers who
5 purchase tobacco products using the Internet or mail order
6 catalogs for personal possession or use in this Commonwealth.

7 "Vending machine operator." A person who places or services
8 one or more tobacco product vending machines whether owned,
9 leased or otherwise operated by the person at locations from
10 which tobacco products are sold to the consumer. The owner or
11 tenant of the premises upon which a vending machine is placed
12 shall not be considered a vending machine operator if the
13 owner's or tenant's sole remuneration therefrom is a flat rental
14 fee or commission based upon the number or value of tobacco
15 products sold from the machine, unless the owner or tenant
16 actually owns the vending machine or leases the vending machine
17 under an agreement whereby any profits from the sale of the
18 tobacco products directly inure to the owner's or tenant's
19 benefit.

20 "Wholesaler." A person engaged in the business of selling
21 tobacco products that receives, stores, sells, exchanges or
22 distributes tobacco products to retailers or other wholesalers
23 in this Commonwealth or retailers who purchase from a
24 manufacturer or from another wholesaler who has not paid the tax
25 imposed by this article.

26 Section 1202-A. Incidence and rate of tax.

27 (a) Imposition.--A tobacco products tax is hereby imposed on
28 the dealer, manufacturer or any person at the time the tobacco
29 product is first sold to a retailer in this Commonwealth at the
30 rate of 40% on the purchase price charged to the retailer for

1 the purchase of any tobacco product. The tax shall be collected
2 from the retailer by whomever sells the tobacco product to the
3 retailer and remitted to the department. Any person required to
4 collect this tax shall separately state the amount of tax on an
5 invoice or other sales document.

6 (b) Retailer.--If the tax is not collected by the seller
7 from the retailer, the tax is imposed on the retailer at the
8 time of purchase at the same rate as in subsection (a) based on
9 the retailer's purchase price of the tobacco products. The
10 retailer shall remit the tax to the department.

11 (c) Unclassified importer.--The tax is imposed on an
12 unclassified importer at the time of purchase at the same rate
13 as in subsection (a) based on the unclassified importer's
14 purchase price of the tobacco products. The unclassified
15 importer shall remit the tax to the department.

16 (d) Exceptions.--The tax shall not be imposed on any tobacco
17 products that:

18 (1) are exported for sale outside this Commonwealth; or

19 (2) are not subject to taxation by the Commonwealth
20 pursuant to any laws of the United States.

21 Section 1203-A. Floor tax.

22 (a) Payment.--Any retailer that, as of the effective date of
23 this article, possesses tobacco products subject to the tax
24 imposed by section 1202-A, shall pay the tax on the tobacco
25 products in accordance with the rates specified in section 1202-
26 A. The tax shall be paid and reported on a form prescribed by
27 the department within 90 days of the effective date of this
28 section.

29 (b) Administrative penalty; license.--If a retailer fails to
30 file the report required by subsection (a) or fails to pay the

1 tax imposed by subsection (a), the department may, in addition
2 to the interest and penalties provided in section 1215-A, do any
3 of the following:

4 (1) Impose an administrative penalty equal to the amount
5 of tax evaded or not paid. The penalty shall be added to the
6 tax evaded or not paid and assessed and collected at the same
7 time and in the same manner as the tax.

8 (2) Suspend, revoke or refuse to issue the retailer's
9 license.

10 (c) Criminal penalty.--In addition to any penalty imposed
11 under subsection (b), a person that willfully omits, neglects or
12 refuses to comply with a duty imposed under subsection (a)
13 commits a misdemeanor and shall, if convicted, be sentenced to
14 pay a fine of not less than \$2,500 nor more than \$5,000, to
15 serve a term of imprisonment not to exceed 30 days, or both.

16 Section 1204-A. Remittance of tax to department.

17 Wholesalers, retailers, unclassified importers and
18 manufacturers shall file monthly reports on a form prescribed by
19 the department by the 20th day of the month following the sale
20 or purchase of tobacco products from any other source on which
21 the tax levied by this article has not been paid. The tax is due
22 at the time the report is due. The department may required the
23 filing of reports and payment of tax on a less frequent basis at
24 its discretion.

25 Section 1205-A. (Reserved).

26 Section 1206-A. Procedures for claiming refund.

27 A claim for a refund of tax imposed by this article under
28 section 3003.1 and Article XXVII shall be in the form and
29 contain the information prescribed by the department by
30 regulation.

1 Section 1207-A. Sales or possession of tobacco product when tax
2 not paid.

3 (a) Sales or possession.--Any person who sells or possesses
4 any tobacco product for which the proper tax has not been paid
5 commits a summary offense and shall, upon conviction, be
6 sentenced to pay costs of prosecution and a fine of not less
7 than \$100 not more than \$1,000 or to imprisonment for not more
8 than 60 days, or both, at the discretion of the court. Any
9 tobacco products purchased from a wholesaler properly licensed
10 under this article shall be presumed to have the proper taxes
11 paid.

12 (b) Tax evasion.--Any person that shall falsely or
13 fraudulently, maliciously, intentionally or willfully with
14 intent to evade the payment of the tax imposed by this article
15 sells or possesses any tobacco product for which the proper tax
16 has not been paid commits a felony and shall, upon conviction,
17 be sentenced to pay costs of prosecution and a fine of not more
18 than \$15,000 or to imprisonment for not more than five years, or
19 both, at the discretion of the court.

20 Section 1208-A. Assessment.

21 The department is authorized to make the inquiries,
22 determinations and assessments of the tax, including interest,
23 additions and penalties, imposed by this article.

24 Section 1209-A. (Reserved).

25 Section 1210-A. (Reserved).

26 Section 1211-A. Failure to file return.

27 Where no return is filed, the amount of the tax due may be
28 assessed and collected at any time as to taxable transactions
29 not reported.

30 Section 1212-A. False or fraudulent return.

1 Where the taxpayer willfully files a false or fraudulent
2 return with intent to evade the tax imposed by this article, the
3 amount of tax due may be assessed and collected at any time.

4 Section 1213-A. Extension of limitation period.

5 Notwithstanding any other provision of this article, where,
6 before the expiration of the period prescribed for the
7 assessment of a tax, a taxpayer has consented, in writing, that
8 the period be extended, the amount of tax due may be assessed at
9 any time within the extended period. The period so extended may
10 be extended further by subsequent consents, in writing, made
11 before the expiration of the extended period.

12 Section 1214-A. Failure to furnish information, returning false
13 information or failure to permit inspection.

14 (a) Penalty.--Any taxpayer who fails to keep or make any
15 record, return, report, inventory or statement, or keeps or
16 makes any false or fraudulent record, return, report, inventory
17 or statement required by this article commits a misdemeanor and
18 shall, upon conviction, be sentenced to pay costs of prosecution
19 and a fine of \$500 and to imprisonment for not more than one
20 year, or both, at the discretion of the court.

21 (b) Examination.--The department is authorized to examine
22 the books and records, the stock of tobacco products and the
23 premises and equipment of any taxpayer in order to verify the
24 accuracy of the payment of the tax imposed by this article. The
25 person subject to an examination shall give to the department or
26 its duly authorized representative, the means, facilities and
27 opportunity for the examination. Willful refusal to cooperate
28 with or permit an examination to the satisfaction of the
29 department shall be sufficient grounds for the suspension or
30 revocation of a taxpayer's license. In addition, a person who

1 willfully refuses to cooperate with or permit an examination to
2 the satisfaction of the department commits a misdemeanor and
3 shall, upon conviction, be sentenced to pay costs of prosecution
4 and a fine of \$500 or to imprisonment for not more than one
5 year, or both, at the discretion of the court.

6 (c) Records; dealer or manufacturer.--A dealer or
7 manufacturer shall keep and maintain for a period of four years
8 records in the form prescribed by the department. The records
9 shall be maintained at the location for which the license is
10 issued.

11 (d) Reports.--A dealer or manufacturer shall file reports at
12 times and in the form prescribed by the department.

13 (e) Records; manufacturer or wholesaler.--A manufacturer or
14 wholesaler located or doing business in this Commonwealth who
15 sells tobacco products to a wholesale license holder in this
16 Commonwealth shall keep records showing:

17 (1) The number and kind of tobacco products sold.

18 (2) The date the tobacco products were sold.

19 (3) The name and license number of the dealer the
20 tobacco products were sold to.

21 (4) The total weight of each of the tobacco products
22 sold to the license holder.

23 (5) The place where the tobacco products were shipped.

24 (6) The name of the common carrier.

25 (f) Manufacturer or wholesaler.--A manufacturer or
26 wholesaler shall file with the department, on or before the 20th
27 of each month, a report showing the information listed in
28 subsection (e) for the previous month.

29 Section 1215-A. Other violations; peace officers; fines.

30 Sections 1278, 1279, 1280 and 1291 are incorporated by

1 reference into and shall apply to the tax imposed by this
2 article.

3 Section 1216-A. Sales reporting.

4 For purposes of reporting sales of roll-your-own tobacco
5 under the act of June 22, 2000 (P.L.394, No.54), known as the
6 Tobacco Settlement Agreement Act, 0.09 ounces of tobacco shall
7 constitute one individual unit sold.

8 Section 1217-A. (Reserved).

9 Section 1218-A. (Reserved).

10 Section 1219-A. Records of shipments and receipts of tobacco
11 products required.

12 The department may, in its discretion, require reports from
13 any common or contract carrier who transports tobacco products
14 to any point or points within this Commonwealth, and from any
15 bonded warehouseman or bailee who has in the possession of the
16 warehouseman or bailee any tobacco products. The reports shall
17 contain the information concerning shipments of tobacco products
18 that the department determines to be necessary for the
19 administration of this article. All common and contract
20 carriers, bailees and warehousemen shall permit the examination
21 by the department or its authorized agents of any records
22 relating to the shipment or receipt of tobacco products.

23 Section 1220-A. Licensing of dealers and manufacturers.

24 (a) Prohibition.--No person, unless all sales of tobacco
25 products are exempt from Pennsylvania tobacco products tax,
26 shall sell, transfer or deliver any tobacco products in this
27 Commonwealth without first obtaining the proper license provided
28 for in this article.

29 (b) Application.--An applicant for a dealer's or
30 manufacturer's license shall complete and file an application

1 with the department. The application shall be in the form and
2 contain information prescribed by the department and shall set
3 forth truthfully and accurately the information desired by the
4 department. If the application is approved, the department shall
5 license the dealer or manufacturer for a period of one year and
6 the license may be renewed annually thereafter.

7 Section 1221-A. Licensing of manufacturers.

8 Any manufacturer doing business within this Commonwealth
9 shall first obtain a license to sell tobacco products by
10 submitting an application to the department containing the
11 information requested by the department and designating a
12 process agent. If a manufacturer designates no process agent,
13 the manufacturer shall be deemed to have made the Secretary of
14 State its agent for the service of process in this Commonwealth.

15 Section 1222-A. Licensing of wholesalers.

16 (a) Requirements.--Applicants for a wholesale license or
17 renewal of that license shall meet the following requirements:

18 (1) The premises on which the applicant proposes to
19 conduct business are adequate to protect the revenue.

20 (2) The applicant is a person of reasonable financial
21 stability and reasonable business experience.

22 (3) The applicant, or any shareholder controlling more
23 than 10% of the stock if the applicant is a corporation or
24 any officer or director if the applicant is a corporation,
25 shall not have been convicted of any crime involving moral
26 turpitude.

27 (4) The applicant shall not have failed to disclose any
28 material information required by the department, including
29 information that the applicant has complied with this article
30 by providing a signed statement under penalty of perjury.

1 (5) The applicant shall not have made any material false
2 statement in the application.

3 (6) The applicant shall not have violated any provision
4 of this article.

5 (7) The applicant shall have filed all required State
6 tax reports and paid any State taxes not subject to a timely
7 perfected administrative or judicial appeal or subject to a
8 duly authorized deferred payment plan.

9 (b) Multiple locations.--The wholesale license shall be
10 valid for one specific location only. Wholesalers with more than
11 one location shall obtain a license for each location.

12 Section 1223-A. Licensing of retailers.

13 Applicants for retail license or renewal of that license
14 shall meet the following requirements:

15 (1) The premises in which the applicant proposes to
16 conduct business are adequate to protect the revenues.

17 (2) The applicant shall not have failed to disclose any
18 material information required by the department.

19 (3) The applicant shall not have any material false
20 statement in the application.

21 (4) The applicant shall not have violated any provision
22 of this article.

23 (5) The applicant shall have filed all required State
24 tax reports and paid any State taxes not subject to a timely
25 perfected administrative or judicial appeal or subject to a
26 duly authorized deferred payment plan.

27 Section 1224-A. License for tobacco products vending machines.

28 Each tobacco products vending machine shall have a current
29 retail license which shall be conspicuously and visibly placed
30 on the machine. There shall be conspicuously and visibly placed

1 on every tobacco products vending machine the name and address
2 of the owner and the name and address of the operator.

3 Section 1225-A. License fees and issuance and display of
4 license.

5 (a) At the time of making any application or license renewal
6 application:

7 (1) An applicant for a tobacco products manufacturers
8 license shall pay the department a license fee of \$1,500.

9 (2) An applicant for a wholesale tobacco products
10 dealer's license shall pay to the department a license fee of
11 \$1,500.

12 (3) An applicant for a retail tobacco products dealer's
13 license shall pay to the department a license fee of \$25.

14 (4) An applicant for a vending machine tobacco products
15 dealer's license shall pay to the department a license fee of
16 \$25.

17 (b) Proration.--Fees shall not be prorated.

18 (c) Issuance and display.--On approval of the application
19 and payment of the fees, the department shall issue the proper
20 license which must be conspicuously displayed at the location
21 for which it has been issued.

22 Section 1226-A. Electronic filing.

23 The department may at its discretion require that any or all
24 returns, reports or registrations that are required to be filed
25 under this article be filed electronically. Failure to
26 electronically file any return, report, registration or other
27 information the department may direct to be filed electronically
28 shall subject the taxpayer to a penalty of 5% of the tax due on
29 the return, up to a maximum of \$1,000, but not less than \$10.
30 This penalty shall be assessed at any time and collected in the

1 manner provided in this article. This penalty shall be in
2 addition to any civil penalty imposed in this article for
3 failure to furnish information or file a return. The criminal
4 penalty for failure to file a return electronically shall be the
5 same as the criminal penalty for failure to furnish information
6 or file a return under this article.

7 Section 1227-A. Expiration of license.

8 (a) Expiration.--A license shall expire on the last day of
9 June next succeeding the date upon which it was issued unless
10 the department at an earlier date suspends, surrenders or
11 revokes the license.

12 (b) Violation.--After the expiration date of the license or
13 sooner if the license is suspended, surrendered or revoked, it
14 shall be illegal for any dealer to engage directly or indirectly
15 in the business heretofore conducted by the dealer for which the
16 license was issued. Any licensee who shall, after the expiration
17 date of the license, engage in the business theretofore
18 conducted by the licensee either by way of purchase, sale,
19 distribution or in any other manner directly or indirectly
20 engaged in the business of dealing with tobacco products for
21 profit shall be in violation of this article and be subject to
22 the penalties provided in this article.

23 Section 1228-A. Administration powers and duties.

24 (a) Department.--The administration of this article is
25 hereby vested in the department. The department shall adopt
26 rules and regulations for the enforcement of this article. The
27 department may impose fees as may be necessary to cover the
28 costs incurred in administering this section.

29 (b) Joint administration.--The department is authorized to
30 jointly administer this article with other provisions of this

1 act, including joint reporting of information, forms, returns,
2 statements, documents or other information submitted to the
3 department.

4 Section 1229-A. Sales without license.

5 (a) Penalty.--Any person who shall, without being the holder
6 of a proper unexpired dealer's license, engage in purchasing,
7 selling, distributing or in any other manner directly or
8 indirectly engaging in the business of dealing with tobacco
9 products for profit commits a summary offense and shall, upon
10 conviction, be sentenced to pay costs of prosecution and a fine
11 of not less than \$250 nor more than \$1,000, or to imprisonment
12 for not more than 30 days, or both, at the discretion of the
13 court.

14 (b) Prima facie evidence.--Open display of tobacco products
15 in any manner shall be prima facie evidence that the person
16 displaying such tobacco products is directly or indirectly
17 engaging in the business of dealing with tobacco products for
18 profit.

19 Section 1230-A. Violations and penalties.

20 (a) Suspension.--The license of any person who violates this
21 article may be suspended after due notice and opportunity for a
22 hearing for a period of not less than five days or more than 30
23 days for a first violation and shall be revoked or suspended for
24 any subsequent violation.

25 (b) Fine.--In addition to the provisions of subsection (a),
26 upon adjudication of a first violation, the person shall be
27 fined not less than \$2,500 nor more than \$5,000. For subsequent
28 violations, the person shall, upon adjudication thereof, be
29 fined not less than \$5,000 nor more than \$15,000.

30 (c) Civil penalty.--A person who violates section 1214-A

1 (b), (c), or (d), or 1225-A(c), shall be subject to a civil
2 penalty not to exceed \$300 per violation but shall not be
3 subject to subsections (a) and (b).

4 Section 1231-A. Property rights.

5 (a) Incorporation.--Subject to subsection (b), section 1285
6 is incorporated by reference into and shall apply to this
7 article.

8 (b) Alterations.--

9 (1) References in section 1285 to cigarettes shall apply
10 to tobacco products in this article.

11 (2) References in section 1285 to 2,000 or more
12 unstamped cigarettes shall apply to tobacco products worth at
13 least \$500 in this article.

14 (3) References in section 1285 to more than 200
15 unstamped cigarettes shall apply to tobacco products worth at
16 least \$50 in this article.

17 Section 1232-A. Sample of tobacco products.

18 (a) Samples.--The department shall, by regulation, govern
19 the receipt, distribution of and payment of tax on sample
20 tobacco products issued for free distribution.

21 (b) Construction.--Nothing in this article or the
22 regulations promulgated under this article shall prohibit the
23 bringing into this Commonwealth by a manufacturer samples of
24 tobacco products to be delivered and distributed only through
25 licensed dealers or the manufacturers or their sales
26 representatives. The tax shall be paid by the manufacturer
27 provided all such packs bear the legend "all applicable State
28 taxes have been paid." Under no circumstances shall any untaxed
29 tobacco products be sold within this Commonwealth.

30 Section 1233-A. Labeling and packaging.

1 It shall be unlawful to knowingly possess, sell, give,
2 transfer or deliver to any person, any tobacco product where the
3 packaging of which has been modified or altered by a person
4 other than the original manufacturer. Modification or alteration
5 shall include the placement of a sticker, writing or mark to
6 cover information on the packages. For purposes of this section,
7 a tobacco product package shall not be construed to have been
8 modified or altered by a person other than the manufacturer if
9 the most recent modification or alteration was made by the
10 manufacturer or person authorized by the manufacturer and
11 approved by the department.

12 Section 1234-A. Information exchange.

13 The department is authorized to exchange information with any
14 other Federal, State or local enforcement agency for purposes of
15 enforcing this article.

16 ARTICLE XXIX-G

17 SCHOOL DISTRICT PROPERTY TAX AND RENT REBATES

18 Section 2901-G. Scope of article.

19 This article relates to school district property tax and rent
20 rebates.

21 Section 2902-G. Definitions.

22 The following words and phrases when used in this article
23 shall have the meanings given to them in this section unless the
24 context clearly indicates otherwise:

25 "Assessor." The chief assessor of a county, the equivalent
26 position in a home rule county or the equivalent position in a
27 city of the third class that performs its own assessments of
28 real property.

29 "Board." The Board of Finance and Revenue.

30 "City of the first class amount." The amount of the maximum

1 rebate multiplied by the number of homestead exclusions awarded,
2 as determined by the assessor and certified by the department in
3 a city of the first class.

4 "Claim." A rebate or a rent rebate authorized under this
5 article.

6 "Claimant." A person who files a claim for a rebate or rent
7 rebate.

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

9 "Fund." The School District Property Tax and Rent Rebate
10 Fund established under section 2912-G.

11 "Homeowner." An owner of a homestead who is:

12 (1) an individual who is a natural person domiciled in
13 this Commonwealth;

14 (2) a grantor who has placed real property in a
15 revocable trust as long as the grantor is a natural person
16 domiciled in this Commonwealth; or

17 (3) a partner or shareholder of a family farm business,
18 as defined in section 1101-C and the partner or shareholder
19 is a natural person domiciled in this Commonwealth.

20 "Homestead." The owner-occupied, primary residence and the
21 parcel of land within this Commonwealth on which the residence
22 is located. The term includes other improvements located on the
23 parcel. If a portion of the structure is used for a
24 nonresidential purpose, the homestead is equal to that portion
25 of the property used as the primary residence of the owner-
26 occupant. The term shall have no effect concerning the issue of
27 whether the property constitutes a homestead or homestead
28 property under any other act.

29 "Household income." Income received by a claimant and each
30 other individual residing in the homestead during the calendar

1 year for which a rebate is claimed.

2 "Income." As defined in Chapter 13 of the Taxpayer Relief
3 Act.

4 "Real property tax." The total real property tax imposed by
5 a school district on a homestead for the tax year. Real property
6 tax authorized by a city of the first class for a school
7 district of the first class shall constitute taxes imposed by a
8 school district for the purposes of this definition. The term
9 does not include payments made in lieu of taxes or any penalties
10 or interest paid in connection with the tax.

11 "Rebate." An amount equal to 100% of the real property tax
12 paid, up to \$1,990, on the assessed value of a homestead to a
13 school district for the tax year.

14 "Rent rebate." An amount equal to 100% of the rent paid for
15 the tax year, except that no rebate paid pursuant to this
16 article shall exceed \$500.

17 "Rental unit." A rented dwelling and as much of the land
18 surrounding the rental dwelling as is reasonably necessary for
19 the use of the dwelling as a renter-occupied primary residence
20 by a claimant. The term includes:

21 (1) Premises occupied by reason of a lease in a
22 cooperative housing corporation.

23 (2) Mobile homes which are assessed as realty for local
24 property tax purposes and the land, if rented by the
25 claimant, upon which the mobile home is situated and other
26 similar living accommodations.

27 (3) A part of a multidwelling or multipurpose building
28 and a part of the land upon which the building is built.

29 (4) Premises occupied by reason of the rental of a
30 dwelling located on land owned by a nonprofit incorporated

1 association, of which the claimant is a member, if the
2 claimant is required to pay a pro rata share of the property
3 taxes levied against the association's land.

4 (5) Premises occupied by a claimant if the claimant is
5 required by law to pay a property tax by reason of the
6 claimant's rental, including a possessory interest, in the
7 dwelling, the land or both.

8 "Renter." An individual who is a natural person domiciled in
9 this Commonwealth who is the leaseholder of a rental unit and
10 applies for a rent rebate.

11 "Residence." A structure used as a place of habitation by
12 the owner of the structure.

13 "School district." A school district of the first class,
14 first class A, second class, third class or fourth class,
15 including any independent school district.

16 "Taxpayer Relief Act." The act of June 27, 2006 (1st
17 Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.

18 "Tax year." A school district's 2015-2016 fiscal year and
19 each fiscal year thereafter during which real property tax is
20 due and payable.

21 Section 2903-G. Property tax rebate qualifications.

22 (a) Issuance.--A rebate shall be issued to a homeowner if:

23 (1) The homeowner, in complying with section 2906-G(d),
24 demonstrates qualification for a rebate to the satisfaction
25 of the department.

26 (2) All of the following apply:

27 (i) The homeowner occupied the homestead during the
28 tax year.

29 (ii) The homeowner has paid real property tax owed
30 on the homestead for the tax year.

1 (iii) The homeowner is the owner of record.

2 (iv) The homeowner applies as required by section
3 2905-G.

4 (b) Multiple individuals on title.--If the title to a
5 homestead is held by more than one individual, a rebate shall be
6 issued in the name appearing on the school property tax record.

7 (c) Payment.--The homeowner may not be required to pay the
8 tax directly.

9 (d) Limitations.--

10 (1) A homeowner may not be eligible for more than one
11 rebate.

12 (2) A rebate may not exceed \$1,990.

13 (3) A rebate may not be issued by the department to a
14 homeowner in a city of the first class.

15 Section 2904-G. Rent rebate.

16 (a) General rule.--Subject to subsections (c) and (d)(1), a
17 rent rebate shall be issued to a renter if the renter, in
18 complying with section 2906-G(e), demonstrates qualification for
19 a rent rebate to the satisfaction of the department.

20 (b) Schedule.--The amount of any rent rebate for rent due
21 and payable during calendar year 2015 and each calendar year
22 thereafter shall be determined in accordance with the following:

<u>Household Income</u>	<u>Amount of Rent Rebate Allowed</u>
<u>\$0 - \$50,000</u>	<u>\$500</u>

25 (c) Limitations on rent rebate.--

26 (1) No rent rebate under subsection (a) shall be allowed
27 if the renter obtains a rent rebate in lieu of property tax
28 relief under Chapter 13 of the Taxpayer Relief Act.

29 (2) No rent rebate under subsection (a) shall be allowed
30 if the renter is a child who is a dependent for purposes of

1 section 151 of the Internal Revenue Code of 1986 (Public Law
2 99-514, 26 U.S.C. § 151).

3 (3) Only one resident of a homestead occupied by
4 multiple residents may apply for a rent rebate under
5 subsection (a). If two or more residents are able to meet the
6 qualification for a renter, the residents may determine who
7 the renter shall be and, in the absence of a determination,
8 the department shall determine to whom the rent rebate is to
9 be paid.

10 (4) No rent rebate under subsection (a) shall be allowed
11 if the renter is a tenant of an owner of real property which
12 is exempt from real property taxes.

13 (5) No rent rebate under subsection (a) shall be allowed
14 if the renter is eligible for or has received a property tax
15 rebate under this section.

16 (d) Apportionment and public assistance.--

17 (1) In determining the amount of a rent rebate for which
18 a renter is eligible the department shall apportion the rent
19 in accordance with the period or degree of leasehold or
20 eligibility of the renter if any of the following apply:

21 (i) A rental unit is owned or rented and occupied
22 for only a portion of a year or is owned or rented in
23 part by a person who does not meet the qualifications for
24 a renter, exclusive of any interest owned or leased by a
25 renter's spouse.

26 (ii) The renter is a widow or widower who remarries.

27 (iii) The renter is a formerly disabled person who
28 is no longer disabled.

29 (2) A renter who receives public assistance from the
30 Department of Human Services shall not be eligible for a rent

1 rebate during those months within which the renter receives
2 public assistance.

3 (e) Government subsidy.--Rent does not include a subsidy
4 provided by or through a governmental agency.

5 Section 2905-G. Property tax rebate administration.

6 (a) Procedures.--The department shall establish
7 administrative and application procedures and deadlines
8 necessary to implement and administer this article. To
9 facilitate the timely implementation of this article, the
10 provisions of Part X of Article III and Article VII of the act
11 of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code,
12 shall not apply to this article. The department may enter into
13 contracts which are necessary to administer this article.

14 (b) List.--Each assessor shall submit to the department a
15 list, categorized by school district, of residential and farm
16 real property and owners of record as of July 1, 2015, within
17 its jurisdiction. The list shall include only homeowners of
18 record who have fully paid the real property tax owed on the
19 homeowner's homestead for the previous taxable year.

20 (c) Review.--Only lists submitted by or within 30 days of
21 the effective date of this article shall be reviewed by the
22 department. The department shall return the list of potentially
23 eligible homeowners to the assessor.

24 (d) Verification.--Within 30 days after receipt of the list
25 of eligible homeowners, the assessor shall verify the list and
26 report to the department any corrections to the list.

27 (e) Finalization.--The department shall finalize the list
28 and notify each listed homeowner, by October 20, 2015, that the
29 homeowner may apply for a rebate. The department shall make the
30 initial determination of homeowner rebate eligibility from

1 information submitted by the homeowner as required by this
2 article.

3 Section 2906-G. Claims.

4 (a) Duties of department.--The department shall:

5 (1) Make available forms for the filing of claims.

6 (2) Receive all applications.

7 (3) Determine the eligibility of homeowners or renters.

8 (4) Hear appeals.

9 (5) Disburse payments.

10 (b) Filing.--A claim shall be filed with the department on
11 or before June 30 of the year next succeeding the end of the
12 calendar year in which real property tax was due and payable.

13 (c) Exception.--A claim filed after the June 30 deadline
14 until December 31 of a calendar year shall be accepted by the
15 department as long as funds are available to pay the benefits to
16 the late filing homeowner.

17 (d) Property tax rebate application forms.--The department
18 shall prescribe a form on which a homeowner may apply for a
19 rebate. In order to qualify for a rebate, the homeowner shall
20 complete the form and provide the department with:

21 (1) Proof the property has been occupied as the
22 homestead during the tax year.

23 (2) The tax receipt or other proof that the real
24 property taxes on the homestead have been paid.

25 (e) Rent rebate application forms.--The department shall
26 prescribe a form on which a renter may apply for a rent rebate.
27 In order to qualify for a rent rebate, the renter shall complete
28 the form and provide the department with:

29 (1) Reasonable proof of household income.

30 (2) The size and nature of the property claimed as a

1 rental unit.

2 (3) The rent receipt or other proof that rent in
3 connection with the occupancy of the rental unit has been
4 paid.

5 (4) Other information required by the department.

6 (f) Regulations.--The department may prescribe necessary
7 rules and promulgate regulations to administer the provisions of
8 this article.

9 (g) Report to General Assembly.--The department shall
10 collect the following information and issue a report to the
11 chairman and minority chairman of the Appropriations Committee
12 of the Senate and the chairman and minority chairman of the
13 Appropriations Committee of the House of Representatives by
14 September 30, 2016, and by September 30 of each year thereafter:

15 (1) The total number of claims which will be paid in the
16 fiscal year in which the report is issued.

17 (2) The total amount of claims paid in the fiscal year
18 in which the report is issued.

19 Section 2907-G. Petitions for review.

20 (a) Right to file.--A claimant whose application is denied,
21 corrected or otherwise adversely affected by the department may
22 file with the department a petition for redetermination on forms
23 supplied by the department within 90 days after the date of
24 mailing written notice by the department of the action.

25 (b) Contents.--The petition shall set forth the grounds on
26 which the claimant alleges that the departmental action is
27 erroneous or unlawful, in whole or in part, and shall contain an
28 affidavit or affirmation that the facts contained in the
29 petition are true and correct.

30 (c) Extension of time for filing.--

1 (1) An extension of time for filing the petition may be
2 allowed for cause but may not exceed 120 days.

3 (2) The department shall hold hearings as may be
4 necessary for the purpose of redetermination, and each
5 claimant who has duly filed a petition for redetermination
6 shall be notified by the department of the time when and the
7 place where the hearing on the homeowner's or renter's case
8 will be held.

9 (d) Time period for decision.--The department shall, within
10 six months after receiving a petition for redetermination,
11 dispose of the matters raised by the petition and shall mail
12 notice of the department's decision to the claimant.

13 Section 2908-G. Review by board.

14 (a) Right to review.--Within 90 days after the date of
15 official receipt by the claimant of notice mailed by the
16 department of the department's decision on a petition for
17 redetermination, the homeowner or renter who is adversely
18 affected by the decision may by petition request the board to
19 review the action.

20 (b) Effect of no decision from department.--The failure of
21 the department to officially notify the claimant of a decision
22 within the six-month period under section 2907-G shall act as a
23 denial of the petition. A petition for review may be filed with
24 the board within 120 days after written notice is officially
25 received by the claimant that the department has failed to
26 dispose of the petition within the six-month period.

27 (c) Contents of petition for redetermination.--A petition
28 for redetermination shall state the reasons upon which the
29 homeowner or renter relies or incorporate by reference the
30 petition for redetermination in which the reasons were stated.

1 The petition shall be supported by an affidavit that the facts
2 set forth are correct and true.

3 (d) Time period for decision.--The board shall act in
4 disposition of petitions within six months after the petition
5 was received and, in the event of failure of the board to
6 dispose of a petition within six months, the action taken by the
7 department upon the petition for redetermination shall be deemed
8 sustained.

9 (e) Relief authorized by board.--The board may sustain the
10 action taken by the department on the petition for
11 redetermination or take other action as the board deems
12 necessary and consistent with provisions of this article.

13 (f) Form of notice.--Notice of the action of the board shall
14 be given by mail to the department and to the claimant.

15 Section 2909-G. Appeal.

16 A claimant aggrieved by a decision of the board may appeal
17 from the decision of the board in the manner provided by law for
18 appeals from decisions of the board in tax cases.

19 Section 2910-G. Penalties.

20 (a) Civil penalty.--If a claim is excessive and is filed
21 with fraudulent intent, the claim shall be disallowed in full,
22 and a penalty of 25% of the amount claimed shall be imposed. The
23 penalty and the amount of the disallowed claim, if the claim has
24 been paid, shall bear interest at the rate of 1.5% per month
25 from the date of the claim until the penalty is paid and the
26 amount of the disallowed claim is repaid.

27 (b) Criminal penalty.--A claimant who files a fraudulent
28 claim, and any person who assists in the preparation or filing
29 of a fraudulent claim, commits a misdemeanor of the third degree
30 and shall, upon conviction, be sentenced to pay a fine not

1 exceeding \$1,000, or to imprisonment not exceeding one year, or
2 both.

3 (c) Disallowance for receipt of title.--A rebate shall be
4 disallowed if the homeowner received title to the homestead
5 primarily for the purpose of receiving a rebate.

6 Section 2911-G. Erroneous rebates.

7 (a) Determination.--Whenever on audit of a claim the
8 department finds the claim to have been incorrectly determined,
9 it shall redetermine the correct amount of the claim and notify
10 the claimant of the reason for the redetermination and the
11 amount of the corrected claim.

12 (b) Recovery.--If a claim has been issued in error and the
13 claimant fails to refund the claim upon the department's
14 request, the claim shall be recoverable by the department in the
15 same manner as provided for under Chapter 13 of the Taxpayer
16 Relief Act.

17 Section 2912-G. Fund.

18 (a) Establishment.--There is established within the General
19 Fund a restricted fund to be known as the School District
20 Property Tax and Rent Rebate Fund. The money in the fund is
21 appropriated to the department to carry out the provisions of
22 this article.

23 (b) Payment.--Except as provided in subsection (c), claims
24 approved by the department under this article shall be paid from
25 the fund.

26 (c) Offset.--The department may offset any claim due to a
27 homeowner or renter against collectible liabilities owed to the
28 Commonwealth by the homeowner or renter for taxes imposed under
29 Article III.

30 (d) Funding.--The following shall be deposited into the fund

1 established under subsection (a):

2 (1) An amount equal to 1% of the tax imposed under
3 section 302.

4 (2) An amount equal to 0.25% of the tax imposed under
5 section 202.

6 (3) Any interest earned on money in the fund.

7 (4) Any money collected under sections 2910-G and 2911-
8 G.

9 (e) City of the first class transfer.--Beginning on July 1,
10 2016, and each fiscal year thereafter, prior to a claim being
11 paid from the fund under subsection (b), the department shall
12 transfer to a city of the first class, the city of the first
13 class amount for use in accordance with section 2913-G.
14 Section 2913-G. City of the first class.

15 A city of the first class shall use the funds provided under
16 section 2912-G(e) as follows:

17 (1) Up to \$73,600,000 to increase the homestead
18 exclusion.

19 (2) Up to \$196,000,000 to reduce a tax imposed on the
20 wages of residents and nonresidents under the authority of
21 the act of August 5, 1932 (Sp.Sess., P.L.45, No.45), referred
22 to as the Sterling Act.

23 (3) Up to \$83,600,000 to reduce the sales tax as
24 authorized under section 201-B.

25 (4) Up to \$60,000,000 to reduce the cigarette tax
26 authorized under 53 Pa.C.S. § 8722 (relating to local option
27 cigarette tax in school districts of the first class).

28 (5) Up to \$24,800,000 to pension relief.

29 Section 2914-G. Construction.

30 Notwithstanding any other provision of law to the contrary, a

1 claim received under this article may not be considered income
2 under Article III or for purposes of determining eligibility for
3 a State government program, including those programs authorized
4 by Chapter 13 of the Taxpayer Relief Act, or Chapter 5 of the
5 act of August 26, 1971 (P.L.351, No.91), known as the State
6 Lottery Law.

7 Section 9. This act shall apply to sales and uses occurring
8 or commencing 120 days after the effective date of this section.

9 Section 10. This act shall take effect immediately.