
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 728 Session of
2019

INTRODUCED BY DeLUCA, McNEILL, HILL-EVANS, READSHAW AND NEILSON,
MARCH 6, 2019

REFERRED TO COMMITTEE ON FINANCE, MARCH 6, 2019

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 exclusions from tax and providing for political advertisement
12 tax.

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

15 Section 1. Section 204(35) of the act of March 4, 1971
16 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
17 to read:

18 Section 204. Exclusions from Tax.--The tax imposed by
19 section 202 shall not be imposed upon any of the following:

20 * * *

21 (35) [The] Except as provided in Part V-B, the sale at
22 retail or use of mail order catalogs and direct mail advertising
23 literature or materials, including electoral literature or

1 materials, such as envelopes, address labels and a one-time
2 license to use a list of names and mailing addresses for each
3 delivery of direct mail advertising literature or materials,
4 including electoral literature or materials, through the United
5 States Postal Service.

6 Section 2. Article II of the act is amended by adding a part
7 to read:

8 PART V-B

9 POLITICAL ADVERTISEMENT TAX

10 Section 214. Definitions.

11 The following words and phrases when used in this part shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Media company." An entity which broadcasts, publishes or
15 otherwise communicates a political advertisement for a fee.

16 "Political advertisement." A communication by means of any
17 broadcast, cable or satellite communication, newspaper,
18 magazine, outdoor advertising facility, mass mailing or
19 telephone bank to the general public which advocates a candidate
20 for public office or a political party or any other form of
21 advertisement whose primary function is to disseminate a
22 political message.

23 "Sale at retail." A transfer for consideration of the
24 ownership, custody or possession of a political advertisement,
25 including the grant of a license to use or consume the
26 advertisement, whether the transfer is absolute or conditional
27 and regardless of how the transfer is made.

28 "Use." The exercise of any right or power incidental to the
29 ownership, custody or possession of a political advertisement,
30 including transportation, storage or consumption. The term shall

1 include the printing of a political advertisement when a media
2 company furnishes, either directly or indirectly, the articles
3 used in printing.

4 Section 214.1. Imposition of tax.

5 (a) Sales tax.--There is imposed upon each separate sale at
6 retail of a political advertisement in this Commonwealth a tax
7 of 6% of the purchase price, which shall be collected by a media
8 company from any purchaser and shall be paid over to the
9 Commonwealth as provided under this part.

10 (b) Use tax.--There is imposed on the use within this
11 Commonwealth of a political advertisement purchased at retail a
12 tax of 6% of the purchase price, which shall be paid to the
13 Commonwealth by the person who makes the use, except that the
14 tax shall not be paid to the Commonwealth by that person where
15 the tax imposed under subsection (a) is or has been paid or the
16 tax imposed under this subsection is paid by the media company
17 with regard to the use.

18 Section 214.2. Credit for sales and use taxes paid.

19 A purchaser may claim a credit for taxes paid under this
20 article.

21 Section 214.3. Deposit of money.

22 Money collected from the tax imposed under this part, and
23 interest earned on the money, shall be deposited into the
24 General Fund.

25 Section 214.4. Rules and regulations.

26 The department may promulgate rules and regulations for the
27 implementation and administration of this part.

28 Section 3. This act shall take effect in 60 days.