



Senate Finance Committee

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BILL SUMMARY

Legislation: House Bill 1513, P.N. 2492
Sponsor: Representative Dunbar
Act Amended: The Local Tax Enabling Act
Date: November 20, 2013

Synopsis

Amends the Local Tax Enabling Act (LTEA) relating to the delegation of taxing powers and restrictions thereon.

Bill Summary

House Bill 1513 amends Section 301.1 of the LTEA to clarify when a political subdivision may levy a business privilege tax (BPT).

Specifically, the bill provides language which states that a local taxing authority may levy a tax on the privilege of doing business in the jurisdiction if:

- The privilege is exercised by conducting transactions for all or part of fifteen or more calendar days within the calendar year; or
- The privilege is exercised through a base of operations in the jurisdiction of the levying taxing authority. In this case, any gross receipts subject to tax through a base of operations shall not include any receipts subject to tax measured by conducting transactions for all or part of 15 or more calendar days within the calendar year.

Applicability date: Taxable years beginning on or after January 1, 2014

Effective date: Immediately

Current Law

Section 301.1 of the Local Tax Enabling Act (Act 511 of 1965) currently provides for the Business Privilege Tax, which is levied against businesses for the privilege of doing business within an assessing local taxing jurisdiction. BPT obligations are assessed against the actual gross receipts of an applicable business.