

commission shall run from the date of his respective appointment until [the end] *thirty days after the convening* of the next regular session of the General Assembly in odd numbered years and until his successor is appointed and qualified. [After the close of each regular session of the General Assembly in odd numbered years, the] *The President pro tempore and the Speaker shall make the appointments authorized by this section. Such appointments shall take effect thirty-one days after the convening of each regular session of the General Assembly in odd numbered years.* Any vacancy happening in the membership of the commission shall be filled by the appointing power making the original appointment for the unexpired term. The commission shall organize as soon as may be after the [close] *appointment of members thirty-one days after the convening* of each regular session of the General Assembly in odd numbered years, at the call of the President pro tempore of the Senate, by electing a chairman, vice-chairman, and a secretary. The secretary need not be a member of the commission.

Filling vacancies.

Organization of commission.

Section 2. This act shall take effect immediately and shall apply to all members of the Local Government Commission hereafter appointed.

Effective immediately.

Section 3. The terms of all members of the local government commission who are serving on the effective date of this act shall terminate on the effective date of this act. Immediately upon the effective date of this act, the President pro tempore of the Senate and the Speaker of the House shall appoint the full membership to the commission, and the term of each member so appointed shall run from the date of his appointment until thirty days after the convening of the 1965 regular session of the General Assembly and until his successor is appointed and qualified. The commission shall meet and organize at the call of the President pro tempore of the Senate.

Schedule.

APPROVED—The 29th day of May, A. D. 1963.

WILLIAM W. SCRANTON

—  
No. 43

AN ACT

Amending the act of March 6, 1956 (P. L. 1228), entitled, as amended, "An act to provide revenue for purposes of public education by imposing a tax on the sale, use, storage, rental or consumption of certain personal property and certain services and upon the occupancy of hotel rooms; providing for licenses,

reports and payment of tax, interest and penalties, assessments, collections, liens, reviews and appeals; prescribing crimes and offenses and penalties therefor; providing for the application of general laws in the administration and enforcement of this act; conferring powers and imposing duties upon the Department of Revenue, public officers, manufacturers, wholesalers, retailers, operators, corporations, partnerships, associations and individuals and making an appropriation," changing the short title, removing the selective sales and use tax features, and making the tax one of general application; imposing tax on certain additional tangible personal property; increasing the rate of tax and changing the bracket schedule and basis to reflect the rate increase; adding provisions concerning refunds and discounts and certain bonds; providing for exclusions from taxation; imposing duties on county treasurers and agents for delivery purposes; granting powers to the Governor with respect to interstate agreements; and requiring that the entire proceeds from the tax be used for public education in the Commonwealth.

**Tax Act of 1963  
for Education.**

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

**Title of act of  
March 6, 1956,  
P. L. 1228,  
amended Decem-  
ber 30, 1959,  
P. L. 2046,  
further amended.**

Section 1. The title of the act of March 6, 1956 (P. L. 1228), known as the "Selective Sales and Use Tax Act," amended December 30, 1959 (P. L. 2046), is amended to read:

#### AN ACT

**New title.**

To provide revenue for purposes of public education by imposing a tax on the sale, use, storage, rental or consumption of [certain] personal property and certain services and upon the occupancy of hotel rooms; *providing for certain exclusions*; providing for licenses, reports and payment of tax, interest and penalties, assessments, collections, liens, reviews and appeals; prescribing crimes and offenses and penalties therefor; providing for the application of general laws in the administration and enforcement of this act; conferring powers and imposing duties upon the Department of Revenue, public officers, manufacturers, wholesalers, retailers, operators, corporations, partnerships, associations and individuals and making an appropriation.

**Section 1 of act  
amended.**

Section 2. Section 1 of this act is amended to read:

**New short title.**

Section 1. Short Title.—This act shall be known and may be cited as the "[Selective Sales and Use] Tax Act of 1963 for Education."

**Subclause (4),  
clause (j), sec-  
tion 2 of act  
amended Novem-  
ber 21, 1959,  
P. L. 1556 and  
first paragraph,  
subclause (7),  
clause (j), added  
August 20, 1959,  
P. L. 729,  
amended.**

Section 3. Subclause (4) of clause (j) of section 2 of the act, amended November 21, 1959 (P. L. 1556), and the first paragraph of subclause (7) of said clause, added August 20, 1959 (P. L. 729), are amended to read:

Section 2. Definitions.—The following words, terms and phrases when used in this act shall have the meaning

ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \* \* \*

(j) "Sale at Retail."

\* \* \* \* \*

(4) The rendition for a consideration of the service of repairing, altering, *mending, pressing, fitting, dyeing, laundering, drycleaning* or cleaning tangible personal property or applying or installing tangible personal property as a repair or replacement part of other personal property for a consideration, *whether or not the services are performed directly or by means of coin-operated equipment or by any other means*, and whether or not any tangible personal property is transferred in conjunction therewith, except such services as are rendered in the construction, reconstruction, remodeling, repair or maintenance of real estate [Notwithstanding the meaning ascribed to the term "tangible personal property" by clause (1) of this section 2 for the purposes of this subclause (2) (j) (4) only, the term "tangible personal property" shall also include any and all wearing apparel upon which the services described herein, including such services as drycleaning, dyeing, fitting, laundering, mending or pressing, may be performed whether the services are performed directly or by means of coin-operated equipment or by any other means]: Provided, however, That this subclause shall not be deemed to impose tax upon such services in the preparation for sale of new [wearing apparel (other than that described by clause (1) (2) of this section 2),] *items which are excluded from the tax under subsection (q) of section 203*, or upon diaper service.

\* \* \* \* \*

(7) Any retention of possession, custody or a license to use or consume tangible personal property or any further obtaining of services described in subclauses (2), (3) and (4) of this clause after [the effective date of this amendment] *August 20, 1959*, pursuant to a rental or service contract or other arrangement (other than as security).

\* \* \* \* \*

Section 4. Clause (1) of section 2 of the act is repealed.

Clause (1), section 2, repealed.

Section 4.1. Clause (j) of section 2 of the act is amended by adding, at the end thereof, a new subclause to read:

Clause (j), section 2 of act amended by adding a new subclause (8).

Section 2. Definitions.—The following words, terms and phrases when used in this act shall have the meaning

ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \* \* \*

(j) "Sale at Retail."

\* \* \* \* \*

(8) Any retention of possession, custody or a license to use or consume tangible personal property or any further obtaining of services described in subclauses (2), (3) and (4) of this clause after the effective date of this amendment pursuant to a rental or service contract or other arrangement (other than as security).

\* \* \* \* \*

Section 2 of act amended by adding a new clause (l.1).

Section 5. Section 2 of the act is amended by adding, before clause (m), a new clause to read:

Section 2. Definitions.—The following words, terms and phrases when used in this act shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \* \* \*

(l.1) "Tangible Personal Property." Corporeal personal property including, but not limited to, goods, wares, merchandise, steam and natural and manufactured and bottled gas, electricity, intrastate telephone and telegraph service, spirituous or vinous liquor and malt or brewed beverages and soft drinks.

First paragraph, subclause (4), clause (n), section 2 of the act, amended August 23, 1961, P. L. 1092, further amended.

Section 6. The first paragraph of subclause (4) of clause (n) of section 2 of the act, amended August 23, 1961 (P. L. 1092), is amended to read:

Section 2. Definitions.—

\* \* \* \* \*

(n) "Use."

\* \* \* \* \*

(4) The obtaining by a purchaser of the service of repairing, altering, mending, pressing, fitting, dyeing, laundering, drycleaning or cleaning tangible personal property or applying or installing tangible personal property as a repair or replacement part of other personal property, whether or not the services are performed directly or by means of coin-operated equipment or by any other means, and whether or not any tangible personal property is transferred to the purchaser in conjunction therewith, except such services as are obtained in the construction, reconstruction, remodeling, repair or maintenance of real estate: [Notwithstanding the meaning ascribed to the term "tangible personal property" by

clause (1) of this section 2 for the purposes of this subclause (2) (n) (4) only, the term "tangible personal property" shall also include any and all wearing apparel upon which the services described herein, including such services as drycleaning, dyeing, fitting, laundering, mending or pressing, may be performed whether the services are performed directly or by means of coin-operated equipment or by any other means] Provided, however, That this subclause shall not be deemed to impose tax upon such services in the preparation for sale of new [wearing apparel (other than that described by clause (1) (2) of this section 2)] *items which are excluded from the tax under subsection (q) of section 203*, or upon diaper service: And provided further, That the term "use" shall not include—

\* \* \* \* \*

Section 7. Sections 201 and 202 of the act, amended August 20, 1959 (P. L. 729), subsection (b) of section 201 also amended November 21, 1959 (P. L. 1556), are amended to read:

Sections 201 and 202 of the act, amended August 20, 1959, P. L. 729, subsection (b), section 201, amended November 21, 1959, P. L. 1556, further amended.

Section 201. Imposition of Tax.—(a) There is hereby imposed upon each separate sale at retail as defined herein within this Commonwealth a tax of [four] *five (5)* per cent of the purchase price, which tax shall be collected by the vendor from the purchaser, and shall be paid over to the Commonwealth as herein provided.

(b) There is hereby imposed upon the use, on and after the effective date of this act, within this Commonwealth of tangible personal property purchased at retail on or after March 7, 1956, and on those services described herein purchased at retail on and after April 15, 1959, a tax of [four] *five (5)* per cent of the purchase price, which tax shall be paid to the Commonwealth by the person who makes such use as herein provided, except that such tax shall not be paid to the Commonwealth by such person where he has paid the tax imposed by subsection (a) of this section or has paid the tax imposed by this subsection (b) to the vendor with respect to such use. The tax at the rate of [four] *five (5)* per cent imposed by this subsection shall not be deemed applicable where the tax has been incurred at the rate of three per cent or three and one-half per cent *or four per cent* under this subsection prior to this amendment.

(c) Notwithstanding any other provisions of this act, the tax with respect to intrastate telephone service and intrastate telegraph service within the meaning [of subclause (13)] of clause [(1)] (*l.1*) of section 2 of this act shall, except for telegrams paid for in cash at telegraph offices, be computed at the rate of [four] *five (5)* per cent upon the total amount billed to customers periodically

for such services, irrespective of whether such billing is based upon a flat rate or upon a message unit charge.

Section 202. Computation of Tax.—The amount of tax imposed by section 201 of this act shall be computed as follows:

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

(b) If the purchase price is eleven cents (11c) or more but less than [twenty-six cents (26c)] *twenty-one cents (21c)*, one cent (1c) shall be collected.

(c) If the purchase price is [twenty-six cents (26c)] *twenty-one cents (21c)* or more but less than [fifty-one cents (51c)] *forty-one cents (41c)*, two cents (2c) shall be collected.

(d) If the purchase price is [fifty-one cents (51c)] *forty-one cents (41c)* or more but less than [seventy-six cents (76c)] *sixty-one cents (61c)*, three cents (3c) shall be collected.

(e) If the purchase price is [seventy-six cents (76c)] *sixty-one cents (61c)* or more but less than [one dollar and one cent (\$1.01)] *eighty-one cents (81c)*, four cents (4c) shall be collected.

*(e.1) If the purchase price is eighty-one cents (81c) or more but less than one dollar and one cent (\$1.01), five cents (5c) shall be collected.*

(f) If the purchase price is more than one dollar (\$1.00), [four] *five (5)* per centum of each dollar of purchase price plus the above bracket charges upon any fractional part of a dollar in excess of even dollars shall be collected.

Clause (d), section 203 of the act, amended August 20, 1959, P. L. 729, and clause (d.1), section 203, added August 20, 1959, P. L. 729, further amended.

Section 8. Clause (d) of section 203 of the act, amended August 20, 1959 (P. L. 729) and clause (d.1) of said section, added August 20, 1959 (P. L. 729), are amended to read:

Section 203. Exclusions from Tax.—The tax imposed by section 201 shall not be imposed upon—

\* \* \* \* \*

(d) The sale at retail or use of materials to be incorporated into and made a part of real estate pursuant to a contract for the construction, reconstruction, remodeling, repairing, maintenance or sale of such real estate, when the contract is, either at a fixed price not subject to change or modification, or entered into pursuant to the obligation of a formal written bid which cannot be altered or withdrawn, and, in either case, such contract was entered into or such bid made on or after March 7, 1956, but prior to April 15, 1959, shall

be exempt from the additional one-half of one per cent of tax imposed by section 201 of this act as amended April 15, 1959 (P. L. 20), and from the additional one-half of one per cent of tax imposed by section 201 of this act as amended *August 20, 1959 (P. L. 729)*, and from the additional one per cent of tax imposed by section 201 of this act as amended hereby: Provided, however, That the exemption granted by this subclause shall not be claimed by the purchaser from any vendor but shall be claimed only by the filing of a refund petition with the department as provided by section 552 of this act.

(d.1) The sale at retail or use of materials to be incorporated into and made a part of real estate pursuant to a contract for the construction, reconstruction, remodeling, repairing, maintenance or sale of such real estate when the contract is, either at a fixed price not subject to change or modification, or entered into pursuant to the obligation of a formal written bid which cannot be altered or withdrawn, and, in either case, such contract was entered into or such bid made on or after April 15, 1959, but prior to [the effective date of this amendment] *August 20, 1959*, shall be exempt from the additional one-half of one per cent of tax imposed by section 201 of this act as amended [hereby] *August 20, 1959 (P. L. 729)*, and from the additional one per cent of tax imposed by section 201 of this act as amended hereby: Provided, however, That the exemption granted by the subclause shall not be claimed by the purchaser from any vendor but shall be claimed only by the filing of a refund petition with the department as provided by section 552 of this act.

\* \* \* \* \*

Section 9. Section 203 of the act is amended by adding, after clause (d.1), a new clause to read:

Section 203. Exclusions from Tax.—The tax imposed by section 201 shall not be imposed upon—

Section 203 of the act, amended by adding a new clause (d.2).

\* \* \* \* \*

(d.2) *The sale at retail or use of materials to be incorporated into and made a part of real estate pursuant to a contract for the construction, reconstruction, remodeling, repairing, maintenance or sale of such real estate when the contract is, either at a fixed price not subject to change or modification, or entered into pursuant to the obligation of a formal written bid which cannot be altered or withdrawn, and, in either case, such contract was entered into or such bid made on or after August 20, 1959, but prior to the effective date of this amendment, shall be exempt from the additional*

*one per cent of tax imposed by section 201 of this act as amended hereby: Provided, however, That the exemption granted by this subclause shall not be claimed by the purchaser from any vendor but shall be claimed only by the filing of a refund petition with the department as provided by section 552 of this act.*

\* \* \* \* \*

Clauses (e) and (o.1), section 203 of act, amended August 20, 1959, P. L. 729, clause (m), section 203, added April 5, 1957, P. L. 34, and relettered April 15, 1959, P. L. 20, and clause (o.2), section 203, added August 20, 1959, P. L. 729, amended.

Section 10. Clauses (e) and (o.1) of section 203 of the act, amended August 20, 1959 (P. L. 729), clause (m) of said section, added April 5, 1957 (P. L. 34) and relettered April 15, 1959 (P. L. 20), and clause (o.2) of said section, added August 20, 1959 (P. L. 729), are amended to read:

Section 203. Exclusions from Tax.—The tax imposed by section 201 shall not be imposed upon—

\* \* \* \* \*

(e) The sale at retail to or use by (1) any charitable organization, volunteer firemen's organization or non-profit educational institution, or (2) a religious organization for religious purposes of tangible personal property or services: Provided, however, That the exclusion of subsection (e) shall not apply with respect to any tangible personal property or services used in any unrelated trade or business carried on by such organization or institution or with respect to any [tangible personal property defined in paragraph (3) of section 2 (1) of this act,] *materials, supplies and equipment used in the construction, reconstruction, remodeling, repairs and maintenance of any real estate*, except materials and supplies when purchased by such organizations or institutions for routine maintenance and repairs.

\* \* \* \* \*

(m) The sale at retail or use of medicine, *drugs or medical supplies* on prescription, crutches and wheelchairs for the use of cripples and invalids, artificial limbs, artificial eyes and artificial hearing devices when designed to be worn on the person of the purchaser or user, false teeth and materials used by a dentist in dental treatment, eyeglasses when especially designed or prescribed by an ophthalmologist, oculist or optometrist for the personal use of the owner or purchaser and artificial braces and supports designed solely for the use of crippled persons.

\* \* \* \* \*

(o.1) The sale at retail or use of materials to be incorporated into and made a part of real estate pursuant to a contract for the construction, reconstruction, remodeling, repairing or maintenance of such real estate,



when the contract was entered into on or after March 7, 1956, but prior to April 15, 1959, between the person who would otherwise be subject to the tax and a municipal authority, incorporated under the "Municipality Authorities Act of 1945," shall be exempt from the additional one-half of one per cent of tax imposed by section 201 of this act as amended April 15, 1959 (P. L. 20), and from the additional one-half of one per cent of tax imposed by section 201 of this act as amended *August 20, 1959 (P. L. 729)* and from the additional one per cent of tax imposed by section 201 of this act as amended hereby: Provided, however, That the exemption granted by this subsection shall not be claimed by the purchaser from any vendor but shall be claimed only by the filing of a refund petition with the department as provided by section 552 of this act.

(o.2) The sale at retail or use of materials to be incorporated into and made a part of real estate pursuant to a contract for the construction, reconstruction, remodeling, repairing or maintenance of such real estate when the contract was entered into on or after April 15, 1959, but prior to [the effective date of this amendment] *August 20, 1959*, between the person who would otherwise be subject to the tax and a municipal authority, incorporated under the "Municipality Authorities Act of 1945," shall be exempt from the additional one-half of one per cent of tax imposed by section 201 of this act as amended [hereby] *August 20, 1959 (P. L. 729)* and from the additional one per cent of tax imposed by section 201 of this act as amended hereby: Provided, however, That the exemption granted by this subsection shall not be claimed by the purchaser from any vendor but shall be claimed only by the filing of a refund petition with the department as provided by section 552 of this act.

Section 11. Section 203 of the act is amended by adding, after clause (o.2), eleven new clauses to read:

Section 203. Exclusions from Tax.—The tax imposed by section 201 shall not be imposed upon—

\* \* \* \* \*

(o.3) *The sale at retail or use of materials to be incorporated into and made a part of real estate pursuant to a contract for the construction, reconstruction, remodeling, repairing or maintenance of such real estate when the contract was entered into on or after August 20, 1959, but prior to the effective date of this amendment, between the person who would otherwise be subject to the tax and a municipal authority, incorporated under the "Municipality Authorities Act of 1945," shall*

Section 203 of act amended by adding eleven new clauses: (o.3), (p.1), (q), (r), (s), (t), (u), (v), (w), (x) and (y).

*be exempt from the additional one per cent of tax imposed by section 201 of this act as amended hereby: Provided, however, That the exemption granted by this subsection shall not be claimed by the purchaser from any vendor but shall be claimed only by the filing of a refund petition with the department as provided by section 552 of this act.*

*\* (p.1) The sale at retail or use of water.*

*(q) The sale at retail or use of all vesture, wearing apparel, raiments, garments, footwear and other articles of clothing worn or carried on or about the human body but all accessories, ornamental wear, formal day or evening apparel, and articles made of fur on the hide or pelt or any material imitative of fur and articles of which such fur, real, imitation or synthetic, is the component material of chief value, but only if such value is more than three times the value of the next most valuable component material, and sporting goods and clothing not normally used or worn when not engaged in sports shall not be excluded from the tax.*

*(r) The sale at retail or use of mail order catalogs and direct mail advertising materials.*

*(s) The sale at retail or use of cigarettes.*

*(t) The sale at retail or use of religious publications sold by religious groups and Bibles and religious articles.*

*(u) The sale at retail or use of food and beverages for human consumption including candy, gum and similar confections, except that this exclusion shall not apply with respect to—*

*(1) Soft drinks;*

*(2) Malt and brewed beverages and \*\*spirituous and vinous liquors;*

*(3) Food and beverages (except when purchased at, or from a school, church or hospital in the ordinary course of activities of such organization) when the purchase price of the total transaction is more than fifty cents (50c), when purchased (i) from persons engaged in the business of catering, or (ii) from persons engaged in the business of operating restaurants, cafes, lunch counters, private and social clubs, taverns, dining cars, hotels and other eating places. For the purpose of this subdivision (3), beverages shall not include malt and brewed beverages and \*\*spirituous and vinous liquors, but shall include soft drinks, and the price of such soft drinks shall be considered together with the price of other beverages and food in determining whether the*

*\*“(p)” in original.*

*\*\*“spirituous” in original.*

*purchase price of the total transaction is more than fifty cents (50c).*

*(v) The sale at retail or use of periodicals and publications which are published at regular intervals not exceeding three months, circulated among the general public and containing matters of general interest and reports of current events.*

*(w) The sale at retail or use of caskets and burial vaults for human remains and markers and tombstones for human graves.*

*(x) The sale at retail or use of flags of the United States of America and the Commonwealth of Pennsylvania.*

*(y) The sale at retail or use of rail transportation equipment used in the movement of personalty.*

Section 12. Section 204 of the act, amended November 21, 1959 (P. L. 1556), is amended to read:

Section 204 of act amended November 21, 1959, P. L. 1556, further amended.

Section 204. Alternate Imposition of Tax.—(a) If any person brings tangible personal property purchased for use outside the Commonwealth into the Commonwealth for use (other than complete consumption) therein for a period not to exceed six months, such person may, upon notice to the department within ten days of the commencement of use of such property within the Commonwealth, elect to pay a tax upon the use of such property equal to [four per cent (4%)] *five (5) per cent* of the fair rental value of such property for the actual period of use if such use does not exceed six months. Should such property be completely consumed within the Commonwealth or remain therein for longer than six months, the taxpayer shall be liable for a tax upon the use of such property according to section 201(b) of this act but shall be allowed a credit equal to seventy per cent (70%) of the tax paid pursuant to the election provided for in this section. Such election may not be made with respect to any tangible personal property purchased or used in a state having a tax similar to that imposed by this act which does not grant, either

(1) A similar election with respect to tangible personal property upon the sale or use of which tax has been paid under the provisions of this act, or

(2) Tax relief substantially similar to that granted by section 205 of this act.

(b) If any person actively and principally engaged in the business of selling new or used motor vehicles, trailers or semi-trailers, and registered with the depart-

ment in the "dealer's class," acquires a motor vehicle, trailer or semi-trailer for the purpose of resale, and prior to such resale, uses the motor vehicle, trailer or semi-trailer for a taxable use under this act during a period not exceeding one year from the date of acquisition to the date of resale, such person may, upon notice to the department within ten days of the commencement of such use, elect to pay a tax equal to [four per cent (4%)] *five per cent (5%)* of the fair rental value of the motor vehicle, trailer or semi-trailer during such use. Should such motor vehicle, trailer or semi-trailer be used for a taxable use after a period of one year, the taxpayer shall be liable for a tax on the fair market value of such motor vehicle, trailer or semi-trailer at the time of acquisition, but shall be allowed a credit equal to the tax paid pursuant to the election provided for in this subsection. This subsection shall not apply to the use of a vehicle as a wrecker, parts truck, delivery truck or courtesy car.

Section 402 of act, added December 30, 1959, P. L. 2046, amended.

Section 13. Section 402 of the act, added December 30, 1959 (P. L. 2046), is amended to read:

Section 402. Imposition of Tax.—There is hereby imposed an excise tax of [four] *five (5)* per cent of the rent upon every occupancy of a room or rooms in a hotel in this Commonwealth, which tax shall be collected by the operator from the occupant and paid over to the Commonwealth as herein provided.

Act amended by adding two new sections 536 and 537.

Section 14. The act is amended by adding, after section 535, two new sections to read:

*Section 536. Local Receivers of Use Tax.—Beginning July 1, 1963, in every county, except in counties of the first class, the county treasurer is hereby authorized to receive use tax due and payable under the provisions of this act from any person other than a licensee. The receiving of such taxes shall be pursuant to rules and regulations promulgated by the department and upon forms furnished by the department. Each county treasurer shall remit to the department all use taxes received under the authority of this section minus the costs of administering this provision not to exceed one (1) per cent of the amount of use taxes received, which amount shall be retained in lieu of any commission otherwise allowable by law for the collection of such tax.*

*Section 537. Discount.—If a return is filed by a licensee and the tax shown to be due thereon less any discount is paid all within the time prescribed, the licensee shall be entitled to credit and apply against the tax payable by him a discount of one (1) per cent of*

*the amount of the tax collected by him after July 1, 1963, as compensation for the expense of collecting and remitting the same and as a consideration of the prompt payment thereof.*

Section 15. The act is amended by adding, after section 582, a new section to read:

Act amended by adding a new section 582.1.

*Section 582.1. Records and Examinations of Delivery Agents.—Every agent for the purpose of delivery of goods shipped into the Commonwealth by a nonresident including, but not limited to, common carriers shall maintain adequate records of such deliveries pursuant to rules and regulations adopted by the department and shall make such records available to the department upon request after due notice.*

Section 16. The act is amended by adding, after section 584, a new section to read:

Act amended by adding a new section 584.1.

*Section 584.1. Interstate Compacts.—The Governor, or his authorized representative, is hereby vested with authority to confer with the Governor and the authorized representatives of other states with respect to reciprocal use tax collection between Pennsylvania and such other states.*

*The Governor, or his representative, is authorized to join with such authorities of other states to conduct joint investigations, to exchange information, hold joint hearings and enter into compacts or interstate agreements with such other states to accomplish uniform reciprocal use tax collections between those states who are parties to any compact or interstate agreement and the Commonwealth of Pennsylvania.*

Section 17. Subsection (a) of section 585 of the act, amended November 21, 1959 (P. L. 1556), is amended to read:

Subsection (a), section 585 of act, amended November 21, 1959, P. L. 1556, further amended.

Section 585. Bonds.—(a) Taxpayer to File Bond. Whenever the department, in its discretion, deems it necessary to protect the revenues to be obtained under the provisions of this act, it may require any nonresident natural person or any foreign corporation, association, fiduciary, partnership or other entity, not authorized to do business within this Commonwealth or not having an established place of business therein and subject to the tax imposed by section 201 of this act, to file a bond issued by a surety company authorized to do business in this Commonwealth and approved by the Insurance Commissioner as to solvency and responsibility, in such amounts as it may fix, to secure the payment of any tax or penalties due, or which may become due, from such natural person or corporation. *In order to protect*

*the revenues to be obtained under the provisions of this act, the department shall require any nonresident natural person or any foreign corporation, association, fiduciary, partnership or entity, who or which is a building contractor, or who or which is a supplier delivering building materials for work in this Commonwealth and is not authorized to do business within this Commonwealth or does not have an established place of business therein and is subject to the tax imposed by section 201 of this act, to file a bond issued by a surety company authorized to do business in this Commonwealth and approved by the Insurance Commissioner as to solvency and responsibility, in such amounts as it may fix, to secure the payments of any tax or penalties due, or which may become due, from such natural person, corporation or other entity. The department may also require such a bond of any person petitioning the department for reassessment, in the case of any assessment over five hundred dollars (\$500) or where it is of the opinion that the ultimate collection is in jeopardy. The department may, for a period of three years, require such a bond of any person who has on three or more occasions within a twelve month period either filed a return or made payment to the department more than thirty days late. In the event that the department determines that a taxpayer is to file such a bond, it shall give notice to such taxpayer to that effect, specifying the amount of the bond required. The taxpayer shall file such bond within five days after the giving of such notice by the department unless, within such five days, the taxpayer shall request, in writing, a hearing before the Secretary of Revenue or his representative at which hearing the necessity, propriety and amount of the bond shall be determined by the secretary or such representative. Such determination shall be final and shall be complied with within fifteen days after notice thereof is mailed to the taxpayer.*

\* \* \* \* \*

Section 604.1 of act, added April 15, 1959, P. L. 20, amended.

Section 18. Section 604.1 of the act, added April 15, 1959 (P. L. 20), is amended to read:

Section 604.1. Disposition of Proceeds.—All taxes collected under the provisions of this act *as amended* shall be used for purposes of public education in so far as permitted by the requirements of the Constitution of Pennsylvania.

Effective date.

Section 19. Effective Date.—The provisions of this act shall be effective June 1, 1963.

APPROVED—The 29th day of May, A. D. 1963.

WILLIAM W. SCRANTON