
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 109 Session of
2019

INTRODUCED BY QUINN, HILL-EVANS AND NEILSON, JANUARY 28, 2019

REFERRED TO COMMITTEE ON FINANCE, JANUARY 28, 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," providing for video game tax, establishing the
11 Digital Protection for School Safety Account and imposing
12 penalties.

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

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

18 ARTICLE XXII

19 VIDEO GAME TAX

20 Section 2201. Definitions.

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

1 "Account." The Digital Protection for School Safety Account
2 established under section 2203(a).

3 "Adults only rating." Content suitable only for an
4 individual 18 years of age or older that may include prolonged
5 scenes of intense violence, graphic sexual content or gambling
6 with real currency.

7 "Board." The Entertainment Software Rating Board established
8 by the Entertainment Software Association.

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

10 "Mature rating." Content suitable only for an individual 17
11 years of age or older that may contain intense violence, blood
12 and gore, sexual content or strong language.

13 "Video game." An electronic game that involves interaction
14 with a user interface to generate visual feedback on a video
15 device. The term does not include a game that contains obscene
16 material or performances as defined in 18 Pa.C.S. § 5903(b)
17 (relating to obscene and other sexual materials and
18 performances) or a game designed primarily for private,
19 political, industrial, corporate or institutional purposes.
20 Section 2202. Imposition of tax on certain video games.

21 (a) Imposition.--A tax is imposed on each separate sale at
22 retail of video games that have an adults only rating or mature
23 rating according to the rating system established by the board.

24 (b) Rate.--The tax imposed under subsection (a) shall be
25 imposed and collected at the rate 10% of the purchase price per
26 video game sold. The additional rate of tax shall be in addition
27 to any applicable State and local sales taxes.

28 (c) Remittance.--The tax imposed under subsection (a) shall
29 be collected by the retailer from the purchaser and remitted to
30 the department. The secretary of the department shall deposit

1 the money remitted under this subsection into the General Fund.
2 Section 2203. Digital Protection for School Safety Account.

3 (a) Establishment.--The Digital Protection for School Safety
4 Account is established as a restricted revenue account within
5 the General Fund. Money in the account is appropriated to the
6 department on a continuing basis for the purpose of enhancing
7 school safety measures implemented by school districts as
8 provided by the laws of this Commonwealth.

9 (b) Transfers.--The department shall determine the amount of
10 money remitted under section 2202(c) for each fiscal year and
11 provide notice of the amount to the State Treasurer on an annual
12 basis. Upon receipt of the notice under this subsection, the
13 State Treasurer shall transfer the amount of money remitted
14 under section 2202(c) to the account.

15 Section 2204. Penalties.

16 (a) Collection or remittance.--A retailer who fails to
17 collect or remit the tax imposed under section 2202(a) shall be
18 liable for a penalty equal to one-half of the total amount of
19 the tax.

20 (b) Payment.--A retailer shall pay the penalty imposed under
21 subsection (a) upon notice and demand by the department. The
22 department shall assess and collect the penalty in the same
23 manner as a tax imposed under section 2202(a).

24 Section 2. This act shall take effect in 60 days.