

STATEMENTS OF POLICY

Title 4—ADMINISTRATION

PART II. EXECUTIVE BOARD

[4 PA. CODE CH. 9]

Reorganization of the Department of Health

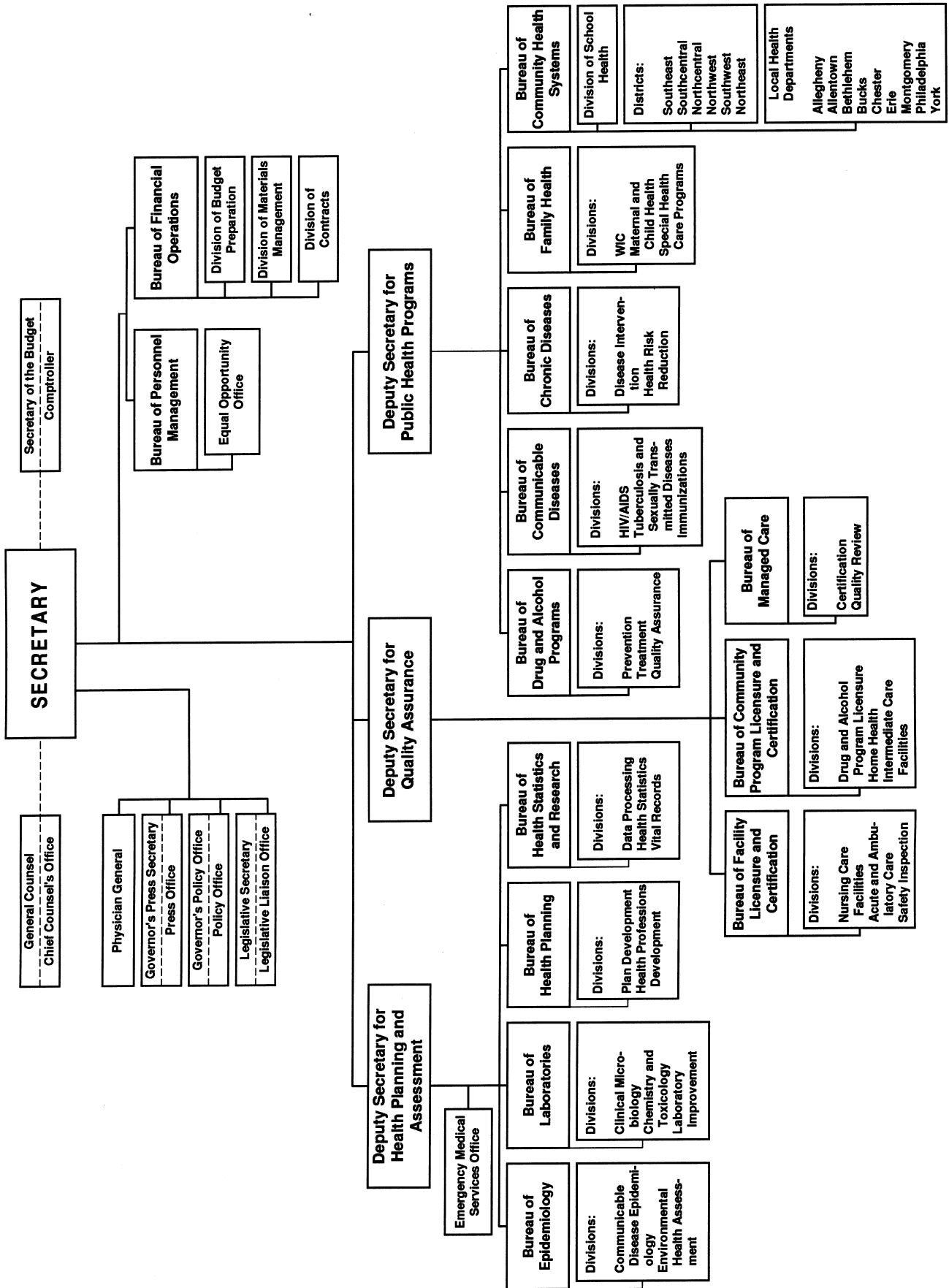
The Executive Board approved a reorganization of the Department of Health effective July 9, 1997.

The organization chart at 27 Pa.B. 3682 (July 26, 1997) is published at the request of the Joint Committee on Documents under 1 Pa. Code § 3.1(a)(9) (relating to content of *Code*).

(Editor's Note: The Joint Committee on Documents has found organization charts to be general and permanent in nature. The document meets the criteria of 45 Pa.C.S. § 702(7) as a document general and permanent in nature which shall be codified in the Pennsylvania Code.)

[Pa.B. Doc. No. 97-1182. Filed for public inspection July 25, 1997, 9:00 a.m.]

DEPARTMENT OF HEALTH



Title 61—REVENUE

DEPARTMENT OF REVENUE

[61 PA. CODE CH. 60]

Commercial Racing Activities

The Department of Revenue (Department) has adopted a statement of policy under the authority contained in § 3.2 (relating to statements of policy) regarding commercial racing activities which follows in Annex A.

This statement of policy adds § 60.21 (relating to commercial racing activities) and will take effect upon publication in the *Pennsylvania Bulletin*.

The Department is setting forth its interpretation of section 4 of Act 1996-105 which added section 2508 (71 P. S. § 668) regarding the sales and use tax exclusion for commercial racing activities.

In accordance with 71 P. S. § 668(b), subsection (a) sets forth the definition of "commercial racing activities" for use in § 60.21. Subsection (b) details the scope of the exclusions for commercial racing activities as established in 71 P. S. § 668(a). Subsection (c) describes the procedure for claiming an exemption under § 60.21.

Specific questions relating to information provided in this statement of policy may be directed to the Department of Revenue, Office of Chief Counsel, Dept. 281061, Harrisburg, PA 17128-1061.

ROBERT A. JUDGE, Sr.,
Secretary

(Editor's Note: The regulations of the Department, 61 Pa. Code Chapter 60, are amended by adding a statement of policy in § 60.21 (relating to commercial racing activities) to read as set forth in Annex A.)

Fiscal Note: 15-387. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 61. REVENUE

PART I. DEPARTMENT OF REVENUE

Subpart B. GENERAL FUND REVENUES

ARTICLE II. SALES AND USE TAX

CHAPTER 60. SALES AND USE TAX

PRONOUNCEMENTS—STATEMENTS OF POLICY

§ 60.21. Commercial racing activities.

(a) *Definitions.* The following term, when used in this section, has the following meaning, unless the context clearly indicates otherwise:

Commercial racing activities—

(i) A thoroughbred and harness racing event at which parimutuel wagering is conducted under the Racehorse Industry Reform Act (4 P. S. §§ 325.101—325.402).

(ii) A fair harness racing event approved by the Pennsylvania State Harness Racing Commission.

(b) *Scope.*

(1) Effective July 11, 1996, the sale at retail or use of the following items of tangible personal property or services thereto is not subject to tax:

(i) Horses to be used exclusively for commercial racing activities. The exemption applies to interests acquired by individuals in syndicated or corporate-owned horses.

(ii) Feed, bedding, grooming supplies, riding tack, farrier services, portable stalls and sulkies solely for horses that are used exclusively for commercial racing activities.

(2) Items such as horse vans; motor vehicles; jockey or sulky driver uniforms; whips and accessories; and similar items remain subject to tax.

Example.

"A" purchased a thoroughbred horse at a claiming race. "A" purchased the horse solely for racing at United Race Track, at which parimutuel wagering is conducted. The purchase of a horse by "A" is not subject to tax. "A" also purchased a specially designed trailer to transport the horse from "A's" home to the race track and a sulky to carry the driver at the horse race meeting. The purchase of the sulky by "A" is not subject to tax. However, the purchase of the trailer by "A" is subject to tax because it does not represent one of the enumerated exempt items in the statute.

(3) Effective July 11, 1996, the propagation and raising of horses to be used exclusively for commercial racing activities when engaged in as a business qualifies as farming under the provisions of the sales and use tax law. Persons engaged in the business of farming are entitled to the limited exemption from sales and use tax as set forth in § 32.33 (relating to farming).

Example.

"B" operates a riding stable at which persons may lease horses for riding purposes. "B" also operates a farm where riding horses (but not racing horses) are propagated and raised. "B" is not engaged in the business of farming because the horses are not exclusively used for commercial racing activities.

(c) *Procedure for claiming exemption.*

(1) Persons entitled to claim an exemption under this section are required to tender to the vendor a completed REV-1220 form in lieu of the tax.

(2) Persons claiming an exemption under subsection (b)(1) shall annotate Form REV-1220 at block "other" by inserting the following wording: "Horse/property will be exclusively used for commercial racing activities."

(3) Persons claiming an exemption under subsection (b)(3) shall annotate Form REV-1220 at block 1 by inserting the word "farming."

(4) If Form REV-1220 is properly annotated, the same form may be used in claiming exemption under subsection (b)(1) and (3).

[Pa.B. Doc. No. 97-1183. Filed for public inspection July 25, 1997, 9:00 a.m.]