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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1508 Session of  
2013

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INTRODUCED BY CUTLER, HANNA, COHEN, KILLION, M. K. KELLER,  
KAUFFMAN, LONGIETTI, SAINATO, BROOKS, BENNINGHOFF, EVERETT,  
MILLARD, AUMENT, GABLER, HARHAI, NEILSON, MARSHALL, GIBBONS,  
ROCK, NEUMAN, PAYNE, SAYLOR, PETRI, MACKENZIE, MOUL, SONNEY,  
GROVE, MATZIE, D. COSTA, HICKERNELL, READSHAW, EVANKOVICH AND  
CALTAGIRONE, JUNE 10, 2013

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REFERRED TO COMMITTEE ON FINANCE, JUNE 10, 2013

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AN ACT

1 Amending the act of November 26, 1997 (P.L.508, No.55), entitled  
2 "An act providing for the tax exemption of institutions of  
3 purely public charity; exempting real property owned by  
4 State-related universities or Federal Government  
5 instrumentalities from taxation; providing for unfair  
6 competition; imposing penalties; and making repeals," further  
7 providing for criteria for institutions of purely public  
8 charity.

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

11 Section 1. Section 5(e) (5) of the act of November 26, 1997  
12 (P.L.508, No.55), known as the Institutions of Purely Public  
13 Charity Act, is amended to read:

14 Section 5. Criteria for institutions of purely public charity.

15 \* \* \*

16 (e) Charity to persons.--

17 \* \* \*

18 (5) An institution shall not be considered to benefit a  
19 substantial and indefinite class of persons who are

1 legitimate subjects of charity if:

2 (i) the institution is not qualified under section  
3 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C.  
4 § 501(c)(3)); and

5 (ii) the institution is qualified under section  
6 501(c)(4), (5), (6), (7), (8) or (9) of the Internal  
7 Revenue Code of 1986 (26 U.S.C. § 501(c)(4), (5), (6),  
8 (7), (8) or (9)) as any of the following:

9 (A) An association of employees, the membership  
10 of which is limited to the employees of a designated  
11 person or persons.

12 (B) A labor organization.

13 (C) An agricultural [or horticultural]  
14 organization[.] unless the institution has been  
15 operating in this Commonwealth with a State governing  
16 body for at least 100 years.

17 (C.1) A horticultural organization.

18 (D) A business league, chamber of commerce, real  
19 estate board, board of trade or professional sports  
20 league.

21 (E) A club organized for pleasure or recreation.

22 (F) A fraternal beneficiary society, order or  
23 association[.] unless the institution has been  
24 operating in this Commonwealth with a State governing  
25 body for at least 100 years.

26 \* \* \*

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