

Utilities Sales Tax Rates and Taxability

Welcome to Utilities Sales Tax Rates and Taxability

This bulletin provides important information about the September 2023 release of Utilities Sales Tax Rates and Taxability. Please review this bulletin carefully. If you have any questions, additional information is available on CCH [Support Online](#).

Updates to Current Utilities Database - Taxability Changes for Pennsylvania Natural Gas Transportation Changes Effective August 2023

The Pennsylvania Department of Revenue issued Sales and Use Tax Bulletin 2023-01 in August which addressed the taxable price of natural gas for nonresidential use when the invoice includes charges from two separate companies - the supplier and distributor.

The ruling states: Contrary to Spectrum's argument, PECO is not a mere delivery carrier. Indeed, PECO and Exelon together are the "vendor." PECO not only delivers electricity to Spectrum but would be required to generate and produce any electricity that Exelon cannot provide. Exelon's electricity cannot be provided to a consumer if PECO does not deliver it, and a consumer, even under the [Electric Act], is unable to select any entity other than its local utility as the delivering entity. There is no truly independent electricity delivery company, as is contemplated in Section 54.1 of the [Code]. As such the Disputed Charges are subsumed within the total purchase price of the electricity which is subject to sales tax.

With its ruling, the Court reaffirmed the department's statement of policy on Electric Utility Services. Section 60.23 (d) of the Pennsylvania Code provides that sales tax is to be assessed on the total purchase price charged upon each separate charge for the generation, transmission, or distribution in connection with providing nonresidential electric utility services as well as all related charges, services, or costs for the generation, production, transmission, or distribution of electricity whether or not the total amount charged is billed as the single charge by one vendor or billed separately by one or more vendors. Spectrum Arena at 643; 61 Pa. Code § 60.23(d).

Applying the reasoning in Spectrum Arena to sales of natural gas, sales tax is due on the total value for the complete performance of a sale at retail, which occurs when the natural gas ("supply") reaches the consumer. Further, under the Spectrum Arena analysis, the natural gas distributor cannot be an uninvolved distributor or collection agent under Section 54.1(c) of the Pennsylvania Code. 61 Pa. Code § 54.1(c). Notwithstanding obligations to serve imposed on a natural gas distributor under the Gas Act similar to those relied upon by the Court in its decision, the distributor also has the right, title, and interest to the charges on the consolidated bill issued by the distributor under the agreement. Upon issuing the bill, the distributor alone is entitled to the purchase price of the sale at retail, which includes natural gas and transportation charges.

Accordingly, when the nonresidential customer receives an invoice with separately stated supply and distribution charges, both charges are included in the taxable purchase price. Likewise, when the supply and distribution charges are invoiced separately, both charges are subject to tax.

Based on this ruling we are now applying the Pennsylvania Sales Tax on the State and County level to Group 5501, Utilities - Natural Gas, on the group level for all providers, for commercial customers.

Geography

The geography content in our data is updated on a monthly basis, with larger quarterly updates. Changes include adding new geocodes, expiring geocodes that are no longer necessary, and remapping ZIP+4s to both existing geocodes and to new ones. For your convenience, a list of expired geocodes is provided below.

FAQ

What is a geocode?

A geocode represents a unique set of state, county, city and tax district areas.

Why do geocodes matter to my company?

Taxes are associated with geocodes, so proper calculation of taxes is dependent on accurate mapping of addresses to geocodes.

What should I do next?

Users do not need to do anything unless they are using mapped geocodes for recurring transactions. Should this be the case, it is strongly recommended that users refresh their mapped geocodes to make sure the proper geocodes will be used for future transactions, as changes other than expired geocodes can impact your tax rate.

How do I find a new geocode if the old geocode is expired or reassigned?

Please pass your address to the system and obtain a proper geocode again. In some cases, the geocode will not change if the address is still within the boundary of the new geographic segments.

Expired geocodes

GeoCode	State	County	BlockDesc	TaxDistrictDescription
US1905319360	IA	DECATUR	DECATUR CITY	
US1914535760	IA	PAGE	HEPBURN	
US1601103970	ID	BINGHAM	ATOMIC CITY	
US1716714845	IL	SANGAMON	CLEAR LAKE	
US1807317722	IN	JASPER	DE MOTTE	
US20057A0008	KS	FORD	DODGE CITY	DODGE CITY SCOOTERS WYATT EARP CID
US22103A0003	LA	SAINT TAMMANY	PEARL RIVER	ROOMS TO GO ECON DEV DIST
US22103A0005	LA	SAINT TAMMANY	UNINCORPORATED COUNTY AREA	ROOMS TO GO ECON DEV DIST
US29183A0080	MO	SAINT CHARLES	SAINT CHARLES	ZUMBEHL ROAD CID
US29183A0008	MO	SAINT CHARLES	SAINT CHARLES	ZUMBEHL ROAD HIGHWAY 94 CID
US3708505040	NC	HARNETT	BENSON	
US3400758920	NJ	CAMDEN	PINE VALLEY	
US35055A0008	NM	TAOS	TAOS	TAOS PUEBLO INDIAN RES
US35055A0012	NM	TAOS	TAOS	TAOS/TAOS PUEBLO 2 INDIAN RES

US32031A0005	NV	WASHOE	RENO	MOGUL CDP
US36087A0017	NY	ROCKLAND	SOUTH NYACK	METRO COMMUTER TRANS DIST
US48029A0043	TX	BEXAR	BULVERDE	BULVERDE / BEXAR CO EMRG SRVC DIST 3
US4803933980	TX	BRAZORIA	HILLCREST	
US48201A0236	TX	HARRIS	UNINCORPORATED COUNTY AREA	HARRIS CO MUNIC UTILITY DIST 412 / HOUSTON MTA
US4825759066	TX	KAUFMAN	POST OAK BEND CITY	
US49045A0007	UT	TOOELE	ERDA	TOOELE CO ERDA AREA / UTAH TRANS AUTH (TOOELE)
US49045A0008	UT	TOOELE	ERDA	TOOELE CO LAKEPOINT AREA / UTAH TRANS AUTH (TOOELE)
US49045A0009	UT	TOOELE	ERDA	TOOELE CO STANSBURY PARK AREA / UTAH TRANS AUTH (TOOELE)
US49045A0001	UT	TOOELE	UNINCORPORATED COUNTY AREA	TOOELE CO ERDA AREA / UTAH TRANS AUTH (TOOELE)
US49045A0002	UT	TOOELE	UNINCORPORATED COUNTY AREA	TOOELE CO LAKEPOINT AREA / UTAH TRANS AUTH (TOOELE)
US51095A0001	VA	JAMES CITY	UNINCORPORATED COUNTY AREA	HAMPTON ROADS REGION SALES TAX DIST
US51830A0001	VA	WILLIAMSBURG CITY	WILLIAMSBURG	HAMPTON ROADS REGION SALES TAX DIST
US51199A0001	VA	YORK	UNINCORPORATED COUNTY AREA	HAMPTON ROADS REGION SALES TAX DIST

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