

What is the Consumer Fireworks Tax?

On October 30, 2017, Governor Tom Wolf signed into law Act 43 of 2017, establishing a consumer fireworks tax on each separate sale at retail of consumer fireworks within the Commonwealth of Pennsylvania.

The tax is imposed at a rate of 12% on the sales price of consumer fireworks. The 12% tax is in addition to the sales and use tax already imposed on such sales (see example).

Example:

Consumer Grade Firework	\$10.00
6% PA Sales Tax	\$0.60
Subtotal:	\$10.60
12% Consumer Fireworks Tax	\$1.27
Total Paid by the Consumer	\$11.87

RETAILER INFORMATION

What you need to know

Effective October 30, 2017, retail sales of consumer fireworks, as defined in Act 43, are subject to the 12% consumer fireworks tax. If you have sold a product at retail considered a consumer firework under the law, you are required to charge, collect and remit the 12% consumer fireworks tax even if you are not yet licensed under the new law.

License

Sellers of consumer fireworks are required to apply for a Consumer Fireworks Facility License with the Pennsylvania Department of Agriculture, Bureau of Ride and Measurement Standards. You can find more information by visiting the Department of Agriculture's website at www.agriculture.pa.gov.

Important: Under the new law, your facility may continue to sell consumer fireworks, to out-of-state residents and PA residents with a municipal permit, under its current license for a period of 90 days (through January 28, 2018) or until the term of the current license expires, whichever comes first. You must apply for and obtain a new license under the new law to be able to lawfully sell consumer fireworks beyond this expiration date.

Filing and Paying Taxes

Licensees must submit a quarterly consumer fireworks tax return with the Pennsylvania Department of Revenue, even for periods where no taxable retail fireworks sales occurred. Retail consumer fireworks sales made during the fourth quarter of 2017 (October 30 through December 31) should be included in your first quarter 2018 consumer fireworks tax return, which is due April 20, 2018.

Beginning April 1, 2018, licensees can register their consumer fireworks tax account with **e-TIDES**, the department's e-filing tax system for businesses. Once licensed, consumer fireworks tax returns must be filed electronically using **e-TIDES** at www.etides.state.pa.us.

Paper tax returns are not available or permissible for this tax type.

If your Point of Sale system cannot handle charging two different taxes on one transaction, you can use one composite tax rate (18.72%), per sales transaction. However, when your tax returns are filed with the Department of Revenue the collection of the sales tax and fireworks tax must be reported separately on the respective return.

Calculation of the Consumer Fireworks Tax

The tax authorized will be imposed and collected at a rate of 12% on the sales price of consumer fireworks. The 12% tax will be in addition to the sales and use tax already imposed on such sales (see examples).

- Example #1**

Counties with 6% sales and use tax rate:

Consumer Grade Firework	\$10.00
6% PA Sales Tax	\$0.60
Subtotal:	\$10.60
12% Consumer Fireworks Tax	\$1.27
Total Paid by the Consumer	\$11.87

- Example #2**

Counties with an additional sales and use tax rate:

Consumer Grade Firework	\$10.00
6% PA Sales Tax	\$0.60
2% Phila. Sales Tax	\$0.20
Subtotal:	\$10.80
12% Consumer Fireworks Tax	\$1.30
Total Paid by the Consumer	\$12.30

FREQUENTLY ASKED QUESTIONS

Am I required to charge, collect and remit the 12% Consumer Fireworks tax even if I'm not yet licensed under the new law?

Yes. Effective October 30, 2017, retail sales of consumer fireworks, as defined in Act 43 are subject to the 12% consumer fireworks tax.

How do I get a Consumer Fireworks Retailer License?

Sellers of consumer fireworks are required to apply for a Consumer Fireworks Facility License with the Pennsylvania Department of Agriculture, Bureau of Ride and Measurement Standards. You can find more information by visiting the Department of Agriculture's website at www.agriculture.pa.gov.

How often must I remit a Consumer Fireworks Tax return and payment?

Licensees must submit a quarterly consumer fireworks tax return with the Pennsylvania Department of Revenue, even for periods where no taxable retail fireworks sales occurred.

Licensees are still required to file a Sales and Use Tax return according to their assigned sales tax account filing

frequency, which may differ from the quarterly consumer fireworks tax return.

How will I report and remit consumer fireworks tax on sales made during the fourth quarter of 2017?

Retail consumer fireworks sales made during the fourth quarter of 2017 (October 30 through December 31) should be included in your first quarter 2018 Consumer Fireworks Tax return, which is due April 20, 2018

How do I file my consumer fireworks tax return and payment?

Beginning April 1, 2018, licensees can register their consumer fireworks tax account with [e-TIDES](#), the department's e-filing tax system for businesses. Once licensed, consumer fireworks tax returns must be filed electronically using [e-TIDES](#) at www.etides.state.pa.us. Paper tax returns are not available or permissible for this tax type.

What are consumer grade fireworks?

Consumer grade fireworks (Class C) include firecrackers, Roman candles and bottle rockets.

What are display grade fireworks?

Display fireworks (Class B) are the type seen at community celebrations on the Fourth of July and New Year's Eve. They are only legal for professional pyrotechnicians use. In addition, M-80s, M-100s, quarter-sticks, half-sticks and cherry bombs, which are illegal in most of the U.S., **will remain illegal in Pennsylvania.**

Is there a resource to provide more guidance on fireworks?

The American Pyrotechnics Association maintains a document, [APA Standard 87-1](#), that contains definitions, standards and other helpful information related to fireworks. For a list of Consumer Fireworks that are subject to the consumer fireworks tax, please refer to Chapter 3.

My POS system cannot handle charging two different taxes on one transaction. Can I use a composite tax rate?

Yes, you can use one composite tax rate, per sales transaction. However, when your tax returns are filed with the Department of Revenue, the collection of the sales tax and fireworks tax must be reported separately.

- Counties with 6% sales and use tax rate would use a composite rate of 18.72%.
- Counties with 7% sales and use tax rate would use a composite rate of 19.84%.
- Counties with 8% sales and use tax rate would use a composite rate of 20.96%.

If my POS system cannot handle charging two different taxes on one transaction. How can I break out the various reporting components for Pennsylvania tax reporting?

Chart #1 below shows the calculation of the PA sales tax, the county sales tax and consumer fireworks tax; and the various tax remittance break out percentages.

CHART #1

Breakdown of how the consumer fireworks tax is calculated based on current PA and county sales tax, the composite tax rate based on current PA and county sales tax, and the breakout percentages to report the various tax components on the Pennsylvania tax return:

	State		Philadelphia		Allegheny	
Consumer Grade Firework Cost	\$ 10.00		\$ 10.00		\$ 10.00	
6% PA Sales Tax	\$ 0.60	6%	\$ 0.60	6%	\$ 0.60	6%
County Sales Tax			\$ 0.20	2%	\$ 0.10	1%
Subtotal:	\$ 10.60		\$ 10.80		\$ 10.70	
12% Consumer Fireworks Tax	\$ 1.27	12%	\$ 1.30	12%	\$ 1.28	12%
Total Paid by the Consumer:	\$ 11.87		\$ 12.10		\$ 11.98	
Composite Tax Rate		18.72%		20.96%		19.84%
Tax Remittance Break Out						
Total Tax paid on purchase	\$ 1.87		\$ 2.10		\$ 1.98	
PA Sales Tax break out %	\$ 0.60	32.05%	\$ 0.60	28.63%	\$ 0.60	30.24%
County Sales Tax break out %	\$ -	0.00%	\$ 0.20	9.54%	\$ 0.10	5.04%
Fireworks Tax break out %	\$ 1.27	67.95%	\$ 1.30	61.83%	\$ 1.28	64.72%
		100.00%		100.00%		100.00%