



February 2001

## **INFORMATION BULLETIN TO PA BOAT DEALERS**

### **Sales Tax Bulletin 01/01**

This Informational Bulletin was developed by the Pennsylvania Department of Revenue in cooperation with the Pennsylvania Fish and Boat Commission to clarify the proper reporting procedure for the remittance of Sales Tax collected on the sale of a watercraft from a Pennsylvania location.

All retail dealers of tangible personal property, which includes watercraft, are required to be licensed and collect Pennsylvania State Sales Tax, and if applicable, Philadelphia and Allegheny county local Sales Tax. When a customer takes possession or delivery of a watercraft from a Pennsylvania dealer, the vendor must collect and remit the Sales Tax to the Department of Revenue, *not* to the Pennsylvania Fish & Boat Commission. Under the provisions of Article II of the Tax Reform Code of 1971, the vendor must file a return and remit Sales Tax to the Department within a specific frequency and timeframe determined by the tax due in the preceding year. Failure to comply with this procedure can result in the imposition of penalty and interest charges and possibly other civil and criminal penalties.

It has recently come to the Department's attention that some watercraft vendors are not reporting and remitting the Sales Tax collected on the Department prescribed returns and in accordance with the statutory requirements. There are some dealers that are submitting the Sales Tax collected to the Pennsylvania Fish & Boat Commission with the boat registration. This is *not* the appropriate method for reporting the Sales Tax collected. A properly completed REV-336, Application for Pennsylvania Boat Registration and/or Boat Title, should be submitted to the Pennsylvania Fish and Boat Commission, with the amount of tax collected reported on Line 5 as a *credit*. However, the dealer is required to file the returns issued to their business to report and remit all Sales Tax collected, even on registered watercraft, to the PA Department of Revenue. Additionally, the dealer is entitled to a one percent (1%) discount of the tax collected if the return, along with full payment, is postmarked by the United States Postal Service on, or prior to, the due date. Filing by the prescribed method will enable the Department of Revenue to verify that all Sales Tax collected was appropriately submitted and paid. The Department of Revenue is dedicated to ensuring that dealers are educated in the correct method to file and are capitalizing on their 1% discount entitlement.

All questions concerning this bulletin should be directed to the PA Department of Revenue, Bureau of Compliance, Discovery Division, Department 281221, Harrisburg, PA 17128-2101. For additional information please visit The Department's website [www.revenue.pa.gov](http://www.revenue.pa.gov).