

# **Bond Case Briefs**

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## **TAX - PENNSYLVANIA**

### **S & H Transport, Inc. v. City of York**

**Supreme Court of Pennsylvania - July 17, 2019 - A.3d - 2019 WL 3219261**

Taxpayer that rendered freight-brokerage services sought review of city's imposition of business-privilege tax.

The Court of Common Pleas found taxpayer exempt. The Commonwealth Court reversed. Allocatur was granted. The Supreme Court affirmed and remanded to the trial court to determine the amount of tax owed. The Court of Common Pleas found taxpayer entitled to deduct freight delivery charges from its gross receipts before calculating tax due. City appealed. The Commonwealth Court reversed. Taxpayer appealed. The Supreme Court affirmed and remanded. On remand, the Court of Common Pleas found taxpayer entitled to deduct freight delivery charges from its gross receipts before calculating tax due. City appealed. The Commonwealth Court reversed. Taxpayer appealed.

The Supreme Court held that taxpayer that rendered freight-brokerage services was entitled under Local Tax Enabling Act (LTEA) to deduct freight delivery charges from its gross receipts before calculating business-privilege tax due to city.

Taxpayer that rendered freight-brokerage services was entitled under Local Tax Enabling Act (LTEA) to deduct freight delivery charges from its gross receipts before calculating business-privilege tax due to city, even though taxpayer was not a freight carrier, did not transport anything, and did not sell or buy anything transported; the class of gross receipts excluded from taxation by the city's business privilege and mercantile tax regulation was broader than that excluded by the LTEA, excluded all freight delivery charges "paid" by a seller for the purchaser, whereas the LTEA specifically restricted the application of the exclusion to only those shipping costs "advanced" by a seller to a purchaser pursuant to the terms of a contract of sale, and thus, the BPT regulation allowed exclusion of all shipping costs paid by a seller for a purchaser at any time, while the LTEA exclusion required that a seller advance the costs of shipping to a purchaser according to the provisions of a contract of sale, which meant that those costs be paid prior to the shipping taking place.