



# PRESS RELEASE

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Western PA and Penn-Del-Jersey NECA Express Joint Support to Clarify Tax Code for Traffic Light Construction

**H.B. 437**

October 21, 2015

PITTSBURGH—Western PA NECA joined with the Penn-Del-Jersey NECA Chapter this week to lend support to H.B. 437, a bipartisan effort to clarify the Pennsylvania Tax Reform Code to prevent the PA Department of Revenue from unduly taxing the construction of traffic lights in communities around the state.

The Pennsylvania NECA chapters sent a joint letter [[LINK TO LETTER PDF](#)] to state lawmakers urging expedient action on the issue.

The Pennsylvania state tax code currently lists traffic signals as tax exempt when they are built for tax exempt government entities. Electrical contractors and local governments have historically understood that this exemption includes all components of the traffic light construction.

Within the last few years, however, the PA Department of Revenue (DOR) has begun enforcing a limited definition of the term “traffic signal”, assessing sales tax on the foundation materials, poles, and mast arms that hold the light assembly above a roadway. Only the light assembly itself is considered exempt under this interpretation.

H.B. 437, which was reintroduced by State Rep. Thomas Caltagirone (D-Berks County) on February 10, 2015, amends the tax code to specifically include “traffic signal foundations, poles, and mast arms” as tax exempt items.

“This narrow interpretation of the definition of a traffic signal clearly undermines the intention and prior enforcement of the tax code,” said Chad Jones, the Western PA Chapter's Executive Director. “This unexpected change is causing confusion and hardship among NECA contractors, and we appreciate and support Representative Caltagirone’s efforts to clarify this matter.”

H.B. 437 unanimously passed through the PA House Finance Committee on May 12, 2015 and currently awaits further action in the Appropriations Committee.

## About Western Pennsylvania NECA



FOR OVER 65 YEARS, THE WESTERN PENNSYLVANIA CHAPTER OF NECA HAS PROVIDED ITS MEMBERS WITH AN EFFECTIVE AGENCY THROUGH WHICH TO EXPRESS THEIR COLLECTIVE VOICE ON ISSUES AFFECTING THE ELECTRICAL CONSTRUCTION INDUSTRY. TODAY THE CHAPTER REPRESENTS QUALIFIED, RELIABLE, AND EXPERIENCED CONTRACTORS THROUGHOUT WESTERN PENNSYLVANIA. WE REPRESENT THE VERY BEST THE ELECTRICAL WORLD HAS TO OFFER.

THIS CHAPTER SERVES ITS MEMBERS THROUGH LABOR RELATIONS, EDUCATIONAL SERVICES, SAFETY TRAINING, GOVERNMENT AFFAIRS, MARKETING, PUBLIC RELATIONS, CONVENTION/ELECTRICAL INDUSTRY EXPOSITION, TECHNICAL SERVICES AND WHAT WE FEEL IS AN OVERALL CREATION OF A BETTER BUSINESS ENVIRONMENT.

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**OUR PURPOSE: TO PROVIDE SUPERIOR SERVICE TO THE BEST UNION ELECTRICAL CONTRACTORS**  
**OUR MISSION: ENHANCE, PROMOTE, AND REPRESENT THE ELECTRICAL CONSTRUCTION INDUSTRY**